HOUSE OF REPRESENTATIVES—*Tuesday, September 17, 1985*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

O sing unto the Lord a new song, for he has done marvelous things!—Psalm 98:1.

Gracious God, as the morning comes new every day, so are Your blessings new to us. We are grateful for the gifts that brighten the day, that restore our faith, that make satisfying our lives. We are grateful for friends who support us and whose love encourages and sustains. We are thankful for families who nurture and forgive and with whom we can share the bonds of love. For Your wonderful gifts, O God, we offer this our prayer. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate has passed joint resolutions and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S.J. Res. 68. Joint resolution to designate November 21, 1985, as "William Beaumont Day";

S.J. Res. 139. Joint resolution to designate the week of December 1, 1985, through December 7, 1985, as "National Home Care Week";

S.J. Res. 159. Joint resolution to designate the rose as the national floral emblem;

S.J. Res. 173. Joint resolution to designate the month of September 1985 as "National Sewing Month";

S.J. Res. 186. Joint resolution to designate the week of September 23, 1985, through September 29, 1985, as "National Historically Black Colleges Week"; and

S. Con. Res. 62. Concurrent resolution expressing solidarity with the Sakharov family in their efforts to exercise their rights of freedom of expression, of travel, and of communication, as guaranteed them under the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights, and the Final Act of the Conference on Security and Cooperation in Europe.

REPORT ON HOUSE JOINT RESOLUTION 388, CONTINUING APPROPRIATIONS, 1986

Mr. NATCHER, from the Committee on Appropriations, submitted a privileged report (Rept. No. 99-272) on the joint resolution (H.J. Res. 388) making continuing appropriations for fiscal year 1986, and for other purposes, which was referred to the Union Calendar and ordered to be printed.

LET'S MOVE ON SUPERFUND

(Mr. ANDREWS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANDREWS. Mr. Speaker, among the most pressing tasks before the House is the reauthorization of the Superfund Program. On September 30, the authority for our abandoned hazardous waste cleanup law will expire. EPA has already begun scaling back its cleanup efforts. If we fail to reauthorize the 5-year program soon, we face the prospect of some of these projects coming to a halt altogether. Stop-gap funding will cripple the momentum we have worked so hard to establish over the past 2½ years.

We need a tough, responsible Superfund reauthorization bill that this Congress and the American people can support, and we need it now. H.R. 2817, the bill reported by the Energy and Commerce Committee and now before the Public Works and Transportation Committee, is such a bill. It would strengthen current law considerably, increasing the program's funding sixfold to $10 billion. It is a good compromise bill and our best vehicle for moving forward expeditiously on the Superfund issue.

Mr. Speaker, this program has already seen its share of politics. Let's move on Superfund.

AN AMERICAN HELD HOSTAGE IN LEBANON 18 MONTHS: ANOTHER MARKS 6 MONTHS IN CAPTIVITY

(Mr. O'BRIEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'BRIEN. Mr. Speaker, yesterday marked the 18th month William Buckley, a U.S. Foreign Service officer, has been held hostage in Lebanon.

September 16 also marked the sixth month of captivity for Terry Anderson, the Associated Press bureau chief in Beirut.

Last Saturday was the 250th day Father Lawrence Jenco, head of Catholic Relief Services in Beirut, has been held hostage in Lebanon.

Rev. Benjamin Weir, a Presbyterian minister, will mark 500 days of captivity on Friday, September 20.

Tomorrow will be the 100th day Thomas Sutherland, dean of the American University Agriculture School, has been held hostage in Lebanon.

Today is the 112th day of captivity for David Jacobsen, director of the American University Hospital in Beirut.

Peter Kilburn, the American University librarian, disappeared 287 days ago today.

Lest we forget, the hostage crisis in Lebanon is now in its 550th day, more than 100 days longer than the Iran hostage crisis 5 years ago. Suppose, just suppose, Mr. Speaker, you and I were among the seven. Would we be wondering if our friends were doing enough to rescue us?

SUSAN AKIN OF MISSISSIPPI CROWNED MISS AMERICA

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, I am pleased to announce that the new Miss America, crowned Saturday night in Atlantic City, is from my hometown of Meridian, MS. Susan Akin has become the fourth Mississippian to win the title. She has all the qualities and talents to be an outstanding representative of the young women in America.

I hope to be able to host a reception for Susan here on Capitol Hill in the next few weeks. Mr. Speaker, if my colleagues are nice to me in the meantime, I might let them meet Miss America.

AMERICA SLOW TO RESPOND TO SOVIET VIOLATIONS

(Mr. ECKERT of New York asked and was given permission to address the House for 1 minute.)

Mr. ECKERT of New York. Mr. Speaker, Sunday, under questioning by CBS News correspondent Leslie Stahl on "Face the Nation," Secretary of Defense Casper Weinberger admitted that 8 days earlier the Soviets had once again violated a 1947 accord providing for onsite military inspection in Germany by detaining and harassing American military personnel at gunpoint.

In light of the Soviets' brutal murder of Major Nicholson on March 24 and the subsequent additional violations of that agreement—and the absence of any strong American response—it may not be surprising that the Soviets continue to demonstrate utter contempt for their treaty obligations, but are we going to adopt a policy of not taking Soviet abuses seriously simply because contemptible behavior is their norm? That is what we seem to be doing. The Defense Department and the White House stood silent when faced with this latest Soviet outrage. Not a word until forced to speak. That raises serious questions about American honor.

Mr. Speaker, on May 9 the House of Representatives voted by a margin of 322 to 93 to call upon the President to expel the Soviet Ambassador unless the Soviets apologized for the brutal murder of Major Nicholson. They have not apologized. Nor have they made amends to the family of Major Nicholson. They continue to violate the agreement. They continue to be arrogant and abusive. They continue to harass American military personnel.

The President hasn't expelled the Soviet Ambassador. Nor has he taken any comparable action. It is time to ask the President: "When are we going to take effective action that will demonstrate to the Soviets that America will not tolerate such conduct?"

CONGRESS MOVES TO ADDRESS TRADE IMBALANCE PROBLEMS

(Mr. NICHOLS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. NICHOLS. Mr. Speaker, this is not the first nor will it be the last speech given in this body protesting the lack of a fair and effective trade policy for the United States of America. In fact, I believe our mounting trade deficit will become the front-burning issue for months to come, and well it should be. Certainly, our concern over the national debt and our efforts to achieve a balanced budget should remain issues of grave importance to this Nation, and especially to its future generations; but the realistic fact is that the possibility of serious deficit reduction has passed for this session of Congress. What remains is the opportunity for the administration, as well as the 99th Congress, to pass constructive legislation that will address our trade deficit. Mr. Speaker, I am afraid that anything less will mean the loss of literally millions of American jobs and the continued erosion of our Nation's industrial base.

As one who is not willing to sit idly by and watch our national security be threatened by the loss of those industries that become even more important in times of national crisis, I pledge my support for a trade policy that is both fair for America and its allies, and more importantly, for the men and women whose only voice in the Federal bureaucracy is their elected Congressmen and Senators. It is the American people who have the most to lose if no action is taken. In this trade issue, they are the only special interest, and it is the obligation, and I might add the duty, of this Congress to keep their interest at heart.

The administration advocates the practice of "free trade," but I question whether our Nation's current trade policy is really one of free trade. When the markets of America are open to goods made in other countries, yet the markets in those countries are closed to American-made products, is that free trade? Or when a foreign nation subsidizes its products so they can be sold at a lower price than American products, is that free trade? Or better yet, is it even fair trade? The answer is "no," and yet, that is the policy the administration continues to accept in dealings without trading partners. Maybe I should say the nations who continue to flood our American markets, because like true free trade, partnership is a two-way street, but currently the traffic is only going one way, and the cost is plain and simple—American jobs.

Mr. Speaker, let me commend my colleagues in this body who have recognized the serious threat being posed by the current trade imbalance. The House and Senate are answering the call of the American people for immediate action on this problem, but with no help from the administration, which continues to be led blindly down the one-way street of free trade. Many of the measures currently pending before Congress are essential to the livelihood of America's industrial base and for the jobs of millions of Americans throughout the 50 States. I trust the administration will see the real necessity for a constructive policy on trade and will join with Members of Congress to pass needed legislation before more Americans lose their jobs, and industry in America is a thing of the past.

DEFICITS LEAD TO A NEW ANOMALY—THE -ILLION IMMUNITY

(Mr. PETRI asked and was given permission to address the House for 1 minute.)

Mr. PETRI. Mr. Speaker, this Government is only days away from borrowing our second trillionth dollar. Two trillion dollars of debt!

Now, the word "trillion" doesn't seem to mean anything to anybody. Trillion sounds like billion which sounds like million. We've been talking in -illions around here for so long that everybody has developed -illion immunity.

Well, big deficits may not mean much to this spend-happy Congress. But they mean a lot to America's children. Thanks to the decisions of this Congress and of recent Congresses, every child born in America next year will start his or her life almost $9,000 in debt.

And it doesn't end there! Thanks to the toothless budget resolution approved here in August, this Congress has decided to add another $1,000 to each child's debt for every year that passes.

This is a sad legacy this Congress is leaving our Nation's youth.

INTRODUCTION OF THE FREEDOM OF INFORMATION PUBLIC IMPROVEMENTS ACT OF 1985

(Mr. KLECZKA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KLECZKA. Mr. Speaker, I am pleased to announce that today I am introducing the Freedom of Information Public Improvements Act of 1985. Developed with the guidance of the Society of Professional Journalists, the bill sets a bold agenda for strenthening the Freedom of Information Act.

First enacted in 1966, the Freedom of Information Act was a landmark in the struggle for a more open government. Since that time, the public has benefited from the act in countless ways, including exposures of wasteful Defense expenditures, consumer health risks, and abuses of power by the CIA and FBI.

As we approach the act's 20th anniversary, it seems only appropriate that we address problems that have arisen—problems which prevent the act from achieving its full potential for public good.

My bill would make a number of substantive changes by tightening exemptions for national security, internal personnel, and financial institution information. The bill also makes procedural changes to ensure that requesters get their information in a timely fashion and at a fair price. Specifically, the bill establishes penalties for agency delay in FOIA compliance, expands sanctions against employees who deliberately obstruct the law, and mandates a uniform system of fee waivers for those requesters benefiting the public.

There has been a lot of talk, especially from the administration, that the Freedom of Information Act needs to be curtailed. Mr. Speaker, let's remember the value of the act and work to strengthen it. I urge my colleagues to cosponsor this legislation.

FLAWED WHITE HOUSE ECONOMICS MAKES UNITED STATES A DEBTOR NATION

(Mr. WILLIAMS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WILLIAMS. Mr. Speaker, for the first time in more than 70 years, America has tragically become a debtor nation.

The trade deficit has occurred, in large measure, because of two reasons: First, a weak trade policy on the part of our trade negotiators; and second, a flawed economic policy. Our trade negotiators sell wheat for less than it is worth and buy foreign cars for more than they are worth, and they call it "Yankee ingenuity."

Our economic policy, comprised of a half-baked, failed notion called trickle-down economics, has forced up real interest rates to a point where they are higher than they have been in half a century, and that in turn has, of course, resulted in an inflated dollar which has wreched our trade policy.

Mr. Speaker, White House economic policy has made America a debtor nation.

NATIONAL HISPANIC HERITAGE WEEK CELEBRATION

(Mr. COLEMAN of Texas asked and was given permission to address the House for 1 minute, and to revise and extend his remarks.)

Mr. COLEMAN of Texas. Mr. Speaker, I rise today to salute Hispanics across the country for their significant contributions to the history of our Nation as we celebrate National Hispanic Heritage Week.

This week is a celebration of the diversity of the Hispanic community in the United States and a recognition of its achievements in the fields of science and technology, education and scholarship, public service and leadership, military service and valor, arts and culture, and sports and entertainment. It is a tribute to the Hispanic community's full, equal, and dynamic participation in American society.

I join Mexican-Americans in my district in commemorating their legacy and traditions. The League of United Latin American Citizens' annual Fiesta de las Flores in El Paso, the University of Texas at El Paso, and El Paso Community College's Hispanic Heritage Week activities, and the fiestas patrias in Pecos, El Paso, and neighboring Ciudad Juarez, Chihuahua, all add to the ambiente of this time. More importantly, they affirm a strong spirit of independence, demonstrate pride and unity, and reflect a strong commitment to the future of the Hispanic community.

Nowhere is this spirit so evident as in the works of the great El Paso artist, Manuel Gregorio Acosta, whose exhibition I am hosting this week in commemoration of National Hispanic Heritage Week. El Paso, TX, is the largest city on the United States-Mexico border, and its largely Hispanic population has a major influence on the community's cultural, social, and economic life. The Acosta exhibit is part of a national tour of the paintings funded by the city of El Paso and the Burlington Northern Foundation. This exhibit depicts the rich diversity of the Hispanic culture of the Southwest, and I urge all of my colleagues to view it.

Mr. Speaker, I hope all of my colleagues will join me in honoring Hispanics across the land.

THE REPUBLICAN AGENDA FOR WORKING WOMEN—A PR ROAD SHOW

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, the Republicans are very, very good at having PR events, especially when it comes to women, because they have nothing legislatively that they can say to working women, so today they announced another massive PR event. They are going on the road with a great road show, with all sorts of speakers talking about the wonderful things they have done for working women outside the home.

I have just looked at this agenda, and I am amazed at some of their oversights. I am sure they are going to want to correct it. First of all, they forgot to tell working women that this administration has in the President's tax reform bill a proposal where they can pay more taxes for the privilege of working outside the home. Yes, they are bringing back the marriage penalty, and I do not think that is the idea that most women would have when they think of opportunity. Nevertheless, they are giving them this opportunity of paying more.

They are giving them lots of other opportunities to work for less than they are worth. In fact, one of their star speakers is Linda Chavez. She is speaking on pay equity, and even though her salary is set on a comparable scale in the Federal Government, she does not approve of it for anybody else, thank you very much; she is going to give them the opportunity to go to work at the minimum wage.

So I really find this whole thing quite amazing. With the money they have, I guess they figure they can buy support one way or the other. I find it shocking, and I think the women of America who are working are much smarter than to be buying into this little PR road show.

PRESIDENT SERVES FRENCH WINE AS WE BECOME A DEBTOR NATION

(Mr. COELHO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COELHO. Mr. Speaker, last week, almost 5 years into his Presidency, President Reagan announced a "get tough" policy on trade. He finally seemed to acknowledge that many of our trading partners are taking unfair advantage of America's free trade philosophy; but just yesterday, at a White House luncheon for regional broadcasters, the President served his guests a very expensive wine, a very expensive French wine. How expensive? About $50 a bottle in your average restaurant. It was so expensive, I cannot even pronounce its name.

Now, Mr. Speaker, this might seem trivial to some, but of course not to those who make a big deal out of South African baseball caps; and it is not trivial to the grape growers in Ronald Reagan's home State of California or in my home district in the central valley, either.

In fact, there is currently action pending before the ITC to deal with the unfair trading practices of foreign wine producers, and we need the administration's support.

It is particularly interesting that the President would serve this very expensive French wine on the very day that the United States became for the first time in 70 years a debtor nation.

Mr. Speaker, the Presidency, as we all know, is a very symbolic office, and I hope in the future the President of the United States will support America's wine industry, not the French wine industry.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC, *September 14, 1985.*
Hon. THOMAS P. O'NEILL, Jr.,
House of Representatives,
Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in clause 5, rule III of the rules of the U.S. House of Representatives, I have the honor to transmit sealed envelopes received from the White House at 12:20 p.m. on Monday, September 16, 1985 as follows:

(1) Said to contain a message from the President wherein he transmits a report on the recommendations of the Office of Juvenile Justice and Delinquency Prevention; and

(2) Said to contain a message from the President wherein he transmits the 1984 Annual Report of the National Advisory Council on Adult Education.

With kind regards, I am,
Sincerely,
BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

EIGHTH ANALYSIS AND EVALUATION OF FEDERAL JUVENILE DELINQUENCY PROGRAMS—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read, and, together with the accompanying papers, referred to the Committee on Education and Labor.

(For message, see proceedings of the Senate of Monday, September 16, 1985, at page 23843.)

1984 ANNUAL REPORT OF THE NATIONAL ADVISORY COUNCIL ON ADULT EDUCATION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read, and, together with the accompanying papers, referred to the Committee on Education and Labor.

(For message, see proceedings of the Senate of Monday, September 16, 1985, at page 23843.)

ADMINISTRATION'S TRADE POLICY TEARING APART FABRIC OF AMERICAN INDUSTRY

(Mr. MOLLOHAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MOLLOHAN. Mr. Speaker, the men and women in America's work places are, in increasing numbers, understanding that this administration's unyielding, stubborn free trade policies are tearing the very fabric of American industry apart, from steel to glass, to high tech, and from textiles to shoes, the American worker stands on shaky ground.

Mr. President, in the battle of international trade, your free trade stance has stacked the deck in favor of foreign competition. That is hard to understand, but what is unbelievable is the fact that your administration, through the Export-Import Bank, is currently financing the development of coal projects around the world.

In the last 5 years, America's Export-Import Bank has provided almost a billion dollars in loan and loan guarantee aid to develop coal mines in Australia, Turkey, Mexico, Yugoslavia, Zimbabwe, and most principally, Colombia, along with other foreign countries.

The bottom line is lost jobs, more lost jobs, in America's coal fields.

Is it not time, Mr. President, that our trade laws and trade policies stand up for America? We need fair trade now.

SYNFUELS CORPORATION RUSHES THROUGH NEW CONTRACTS

(Mr. SHARP asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHARP. Mr. Speaker, in July the House decisively voted to take away the remaining funds available to be spent by the Synthetic Fuels Corporation, but very quickly that corporation made clear to the public and to the Congress that it intended to go ahead and make several major financial commitments the taxpayers will have to honor if they go forward.

Several of us immediately wrote the President of the United States asking him to have his appointees stop such action and stop what we believe would be a waste of the taxpayers' dollars. The response so far has been a deafening silence.

Therefore, tomorrow the Energy and Commerce Committee will take steps to further discourage the signing of those contracts and those financial commitments.

In our deficit reduction package, we will include an effort to block the 11th-hour contracts that might be rushed through in defiance of the will of the House of Representatives. Although there is a constitutional question about the Government's ability to abrogate its contracts, we can and will take away the Government's consent to be sued. This is a fine legal distinction and an extraordinary step, one which we ordinarily would not take, but that corporation, that Government agency, simply has not gotten the message.

Potential award recipients are hereby warned, signing these last-minute contracts carries a large risk. We are determined to stop spending and to reduce the deficit.

MR. PRESIDENT, FREEZE ALL SPENDING

(Mr. AuCOIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. AuCOIN. Mr. Speaker, for 5 years the Reagan administration has been telling us that less government is better government, and that the Government can't continue to spend more than it takes in.

Many of us in Congress couldn't agree with you more, Mr. President. But every time we try to clamp a freeze on Government spending—which affects all the sacred cow's, including your own—your administration has always objected. And you've gotten your way.

And so, the Government is borrowing much more money today than it did when your administration took over. Our country has just established itself as a debtor nation for the first time in 71 years. The Federal debt has reached $2 trillion and is expanding at a rate of $200 billion a year.

Meanwhile, I read with amazement a news report that your administration has just approved a loan guarantee of $72 million to a Saudi billionaire to produce an oil substitute that will be far more expensive than the oil it is suppose to replace. And Mr. President, you've just appointed a new head for a million-dollar-a-year Government agency that's in charge of managing the Government's paperclips and paperwork.

Mr. President, you tell us that we must trim Federal fat. Meanwhile, you're contributing to some of the biggest spending boondoggles ever.

What's wrong, Mr. President? I'm hoping you'll give us some straight answers at your press conference tonight. I'm hoping you'll say, "Let's freeze all spending."

REQUEST FOR PERMISSION FOR COMMITTEE ON RULES TO FILE REPORT ON H.R. 3128

Mr. DERRICK. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight, September 17, 1985, to file a report on H.R. 3128.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

Mr. FRENZEL. Mr. Speaker, I reserve the right to object.

Mr. Speaker, under my reservation, I will yield to the gentleman from South Carolina to tell us what kind of a rule the committee has in mind, whether the Republican members of the committee have been advised of his request and are aware of the rule that is going to be passed and what amendments are going to be made in order under the rule.

I yield to the distinguished gentleman.

Mr. DERRICK. Mr. Speaker, I thank the gentleman.

We are still hearing testimony on the rule up there now, so I cannot tell the gentleman what kind of a rule it will be. I have spoken with one Member of the Republicans on the Rules Committee, the gentleman from Mississippi [Mr. LOTT], who has no objection. I have not spoken with the rest of them.

As to be able to give the gentleman the particulars of it, we are still hearing testimony on it, so I cannot tell the gentleman.

I would suggest, although I cannot speak for the Rules Committee, that there probably will be some amendments made in order.

Mr. FRENZEL. Further reserving the right to object, Mr. Speaker, I thank the gentleman.

I am advised that the Republican leadership has a very strong interest in making certain amendments in order, particularly one by the gentleman from Ohio, and without the assurances that those might be granted, my inclination would be to object to the gentleman's request.

I yield to the distinguished gentleman.

Mr. DERRICK. Well, I regret that I cannot give the gentleman those assurances. I can tell the gentleman that we are hearing testimony. I am sure that it will receive fair consideration, but I cannot give assurances what the rule will be. I do not know.

Mr. FRENZEL. I thank the gentleman.

Further reserving the right to object, Mr. Speaker, under these conditions, until the minority has a little clearer fix on what is happening——

Mr. DERRICK. Mr. Speaker, will the gentleman yield further?

Mr. FRENZEL. I yield to the gentleman.

Mr. DERRICK. Mr. Speaker, if I can go back up and ask the other Members of the minority if they agree, would the gentleman withdraw his objection?

Mr. FRENZEL. I would at that time; but now, Mr. Speaker, I object.

The SPEAKER. Objection is heard.

AN UPDATE ON THE CABELL COUNTY DROPOUT PREVENTION PROGRAM

(Mr. RAHALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RAHALL. Mr. Speaker, not too long ago, I introduced my colleagues to a dropout prevention program that is in effect in Cabell County, WV.

In March 1982 a task force committee was established to review the problem of students leaving school prior to the completion of their school program. The results indicated that approximately 21 percent of students in Cabell County were leaving school before the completion of their school program.

Therefore, a county educational decision was reached to address this particular problem through the utilization of ECIA chapter 2 funds for the 1982–83 school year. A preventive program was established.

The Dropout Prevention Program, initiated by Cabell County Schools in 1982, involves teachers, students, parents, and other citizens in its quest to reduce the dropout rate and even to bring dropouts back into school.

The program targets potential student dropouts as early as the elementary level and attempts to instill into these students the proper habits which make school a turnon rather than a turnoff.

It reaches out to junior high students with low grades and/or low interest in school activities by offering alternate courses of study such as prevocational courses.

The Cabell County Public School's Dropout Prevention Program zeroes in on those students who have reached the legal age, 16, to leave school. JROTC, alternative vocational programs, tutor/advisers, the opening of school libraries after school hours, and an overall concern from teachers, fellow students, and others show the potential dropout that there are those who do care and want that student to get an education.

Each school has a parent advisory committee which offers suggestions and help in providing alternatives and added interests to students. At one school, a successful experiment was conducted with an automatic calling machine to contact homes of students who were habitually absent or tardy.

The tutor/adviser at each school is particularly helpful in getting low achievers back on track with their studies and involved with extra curricular school activities.

All teachers have been asked to join the dropout prevention team by offering suggestions or passing on information to the tutor/adviser on students they feel are leaning toward leaving school before graduation.

The overall project is funded through ECIA chapter 2 and includes staff members with assignments directly connected with the program. They include the project coordinator, tutor/advisers, and educational ombudsman and part-time tutors in libraries.

But, the success of the program also signifies the community support it receives and the overall awareness that the school system in Cabell County does care about its students and wants to go the extra mile for a student in providing a strong educational foundation.

I believe that the statistics show the success of the Cabell County Dropout Prevention Program. Tracking the number of high school and junior high school dropouts chronologically, the records show that the number of dropouts has declined from 276, 20.13 percent in 1980–81, 307, 21.19 percent in 1981–82, 197, 15.15 percent in 1982–83, and 235, 19.37 percent in 1983–84, to 192, 15.14 percent in 1984–85. Furthermore, one aspect of the program is designed to encourage dropouts to return to school. This, accompanied by the above declining dropout rate, exemplifies the effort put into and the progress made by my fellow West Virginians in Cabell County.

These people care, and with the help of Federal funding, they are able to work together to do something about the dropout problem. We in Congress must not ignore this problem or the success that this type of program can achieve. We have to face the fact that 85 percent of all jobs in the next decade will require vocational or technical training. Furthermore, we must face the realization that a teen droput has little to no chance of success in the complex world of the 1990's. As representatives of the people of this Nation, we have a responsibility to address this problem. We must not shirk this responsibility. I urge my colleagues to review any legislative measures which would address this national dilemma.

PERSONAL EXPLANATION

(Mr. DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIEL. Mr. Speaker, in recent days, questions have been raised in the press about my flying in corporate aircraft. As I have stated from the first time this issue was raised and I was made aware of the rules governing this matter, I have made restitution to the company and amended my financial disclosure forms to reflect the receipt of transportation from my district.

On Friday, September 13, 1985, I filed my amended disclosure forms and also remitted to the Corporation a check in the amount of $1,127.00 for the cost of the flights.

I deeply regret this error on my part, due to a misunderstanding of the relevant House rules, and I believe I have now acted in a forthright and expeditious manner to correct the error.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2904

Mr. FRENZEL. Mr. Speaker, I ask unanimous consent that my name may be removed as a cosponsor of H.R. 2904.

The SPEAKER. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5 of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Wednesday, September 18, 1985.

□ 1230

EARTHQUAKE HAZARDS REDUCTION ACT AUTHORIZATIONS, FISCAL YEARS 1986 AND 1987

Mr. FUQUA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 817)

to authorize appropriations under the Earthquake Hazards Reduction Act of 1977 for fiscal years 1986 and 1987, and for other purposes; with Senate amendments to the House amendments thereto, and concur in the Senate amendments to the House amendments.

The Clerk read the title of the Senate bill.

The Clerk read the Senate amendments to the House amendments, as follows:

In lieu of the matter proposed to be inserted by the amendment of the House numbered 3, insert "35,578,000".

In lieu of the matter proposed to be inserted by the amendment of the House numbered 4, insert "$37,179,000".

Page 2, line 20, of the House Amendment, strike out "and" and insert "and".".

SEC. 7. Section 2(b)(3) of the National Bureau of Standards Authorization Act for Fiscal Year 1986 (Public Law 99-73) is amended by striking "(7), and (8)" and inserting in lieu thereof "and (7)".

Mr. FUQUA (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendments to the House amendments be considered as read and printed in the Record.

The SPEAKER pro tempore (Mr. DANIEL). Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. FUQUA. Mr. Speaker, I urge passage of S. 817, the Earthquake Hazards Reduction Act of fiscal year 1986 and fiscal year 1987 as amended by the other body.

This bill first passed the Senate on April 17, was amended by the House on June 24, and sent back to the Senate.

The bill as amended on July 31, represents an agreement reached by both the House Committees on Science and Technology, and Interior and Insular Affairs and the Senate Committee on Commerce, Science and Transportation. In particular, the bill would authorize the earthquake prediction and monitoring program at U.S. Geological Survey at a level of about $500,000 more than the House-passed bill, to a level of $35,578 million. Also, the Earthquake Program at the Federal Emergency Management Agency is reduced slightly below the fiscal year 1985 appropriation level. Other earthquake research programs conducted at the National Science foundation and the National Bureau of Standards would be maintained at the fiscal year 1985 appropriation level

Finally, this bill would authorize the written plan for the National Earthquake Hazards Reduction Program to be updated every 3 years.

Mr. Speaker, since the bill before us allots a total authorization level of $69,433 million, which is slightly below the fiscal year 1985 appropriation level, and since all other matters of controversy within the legislation have been resolved, I urge adoption of this bill.

S. 817 EARTHQUAKE ACT

	House passed version June 24, 1985 [1]	Senate passed version April 17, 1985 [1]	President's request 1986 [2]	Senate passed version July 31, 1985 [1]
FEMA	$5.596	$5.705	$5.596	$5.596
USGS	35.044	35.578	34.603	35.58
NSF	27.760	28.700	28.700	27.760
NBS	.499	.499	.000	499
Total	68.899	70.482	[2] 68.899	69.433

[1] 4.5-percent increase for fiscal year 1987.
[2] Such sums as may be necessary for fiscal year 1987.

Note.—Additional provision in bill—update of the 5-yr plan: Senate-passed verison July 31, 1985 would update the plan every 3 yrs.

Mr. LUJAN. Mr. Speaker, I also urge passage of S. 817, the Earthquake Hazards Reduction Act of fiscal year 1986 and fiscal year 1987 as amended by the Senate.

This bill is the result of work by both Houses which dates back to April 17, It is the result of a compromise position between the House versions, which supported the fiscal year 1986 request, and the Senate version, which is slightly below the fiscal year 1985 level. I feel this bill balances the need for the program with the very real concerns over Federal spending.

Mr. Speaker, the committees have negotiated this position and all matters of controversy have been resolved. I join the distinguished chairman of our committee in urging adoption of this bill.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from Florida?

There was no objection

A motion to reconsider was laid on the table.

FEDERAL FIRE PREVENTION AND CONTROL ACT AUTHORIZATION

Mr. FUQUA. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 818), an act to authorize appropriations for activities under the Federal Fire Prevention and Control Act of 1974, with a Senate amendment to the House amendment thereto, and concur in the Senate amendment to the House amendment.

The Clerk read the title of the Senate bill

The Clerk read the Senate amendment to the House amendment, as follows:

Page 1, line 2, of the House engrossed amendment, strike out "$22,953,000" and insert "$22,037,000".

Mr. FUQUA (during the reading). Mr. Speaker, I ask unanimous consent that the Senate amendment to the House amendment be considered as read and printed in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

Mr. LUJAN. Mr. Speaker, reserving the right to object, I do so for the purpose of asking the gentleman from Florida [Mr. FUQUA] to explain the bill.

Mr. FUQUA. Mr. Speaker, will the gentleman yield?

Mr. LUJAN. I yield to the gentleman from Florida.

Mr. FUQUA. Mr. Speaker, I urge passage of S. 818, the Federal Fire Prevention and Control Act for fiscal year 1986, as amended by the other body. The bill first passed the Senate on April 17, was amended by the House on June 24 and sent back to the other body.

This bill, as amended on July 31, represents an agreement reached by both the House Committee on Science and Technology and the Senate Committee on Commerce, Science and Transportation. In particular, the bill would restore full funding for the Travel Stipend Program. The Stipend Program pays for a firefighter's travel expenses to the National Fire Academy. Other programs at the National Fire Academy would be authorized at slightly below the fiscal year 1985 freeze level. Programs at the U.S. Fire Administration would be authorized at a level of $9 million, about $700,000 less than the fiscal year 1985 freeze.

Mr. Speaker, since this bill before us allots a total authorization level, that would be slightly less than the fiscal year 1985 freeze level and since all other matters of controversy within the legislation have been resolved, I urge adoption of this legislation.

S. 818 FIRE ACT

	House passed version June 24, 1985	Senate passed version Apr. 17, 1985	President's request 1986	Senate passed version July 31, 1985
USFA	$9.736	$9.236	$7.685	$9.0
NFA	13.217	12.800	11.637	13.037
Total	[1] 22.953	22.036	19.322	[2] 22.037

[1] Same as fiscal year 1985 appropriations.
[2] With full funding of travel stipend program.

Mr. LUJAN. Mr. Speaker, I join the chairman of our committee in urging passage of S. 818, the Federal Fire Prevention and Control Act. As you have heard, this legislation is slightly more than the fiscal year 1986 request, but only because the full funding for the Travel Stipend Program has been restored. Mr. Speaker, we agree with the unanimous-consent request for this bill. This recognizes the overall national role of the Fire Prevention Program and the National Fire Academy.

The other authorizations of this program represent a savings to the taxpayers and I urge its approval.

Mr. BOEHLERT. Mr. Speaker, I rise in strong support of the request made by the gentleman from Florida [Mr. FUQUA] to accept S. 818, as amended by the Senate. This bill does represent an agreement between both the House and Senate authorizing committees. I am very pleased to say

that it also fully supports the Travel Stipend Program for volunteer and professional firefighters to attend courses at the National Fire Academy in Emmitsburg, MD. I wish to express my appreciation to Senator GORTON and Senator RIEGLE for their leadership within the Senate Subcommittee on Science, Technology and Space. They have been particularly akin to priorities of the House Subcommittee on Science, Research and Technology, and very amiable in negotiating a strong position expressing the support of Congress for the Federal role in fire prevention and control.

I urge the immediate adoption of S. 818, as amended.

Mr. LUJAN. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

The SPEAKER pro tempore. Is there objection to the original request of the gentleman from Florida?

There was no objection.

A motion to reconsider was laid on the table.

GOVERNMENT SECURITIES ACT OF 1985

Mr. WIRTH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2032), to amend the Securities Exchange Act of 1934 to provide improved protection for investors in the government securities market, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2032

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND FINDINGS.

(a) SHORT TITLE.—This Act may be cited as the "Government Securities Act of 1985".

(b) FINDINGS.—The Congress finds that transactions in government securities, as commonly conducted, are affected with a public interest which makes it necessary—

(1) to provide for the integrity, stability, and efficiency of such transactions and of matters and practices related thereto;

(2) to impose limited regulation of government securities brokers and government securities dealers generally;

(3) to require appropriate financial responsibility, recordkeeping, and reporting requirements;

(4) to impose requirements necessary to make such regulation effective; and

(5) to achieve effective coordination of the issuers and regulators interested in the government securities markets,

in order to protect investors and the national credit and to insure the maintenance of fair, honest, and liquid markets in such securities.

SEC. 2. ESTABLISHMENT OF THE GOVERNMENT SECURITIES RULEMAKING BOARD.

The Securities Exchange Act of 1934, hereafter in this Act referred to as "the Act", is amended by inserting after section 15B thereof (15 U.S.C. 78o-4) the following new section:

"GOVERNMENT SECURITIES

"SEC. 15C. (a)(1) It shall be unlawful for any government securities broker or government securities dealer (other than a registered broker or dealer) to make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any government security unless such government securities broker or government securities dealer is registered in accordance with this subsection.

"(2)(A) A government securities broker or government securities dealer may be registered by filing with the Commission an application for registration in such form and containing such information and documents concerning such government securities broker or government securities dealer and any persons associated with such government securities broker or government securities dealer as the Commission, by rule, may prescribe as necessary or appropriate in the public interest or for the protection of investors. Within 45 days of the date of the filing of such application (or within such longer period as to which the applicant consents), the Commission shall—

"(i) by order grant registration, or

"(ii) institute proceedings to determine whether registration should be denied.

"(B) Proceedings instituted pursuant to subparagraph (A)(ii) shall include notice of the grounds for denial under consideration and opportunity for hearing and shall be concluded within 120 days of the date of the filing of the application for registration. At the conclusion of such proceedings the Commission, by order, shall grant or deny such registration. The Commission may extend the time for the conclusion of such proceedings for up to 90 days if it finds good cause for such extension and publishes its reasons for so finding or for such longer period as to which the applicant consents.

"(C) The Commission shall grant the registration of a government securities broker or government securities dealer if the Commission finds that the requirements of this section are satisfied. The Commission shall deny such registration if it does not make such a finding or if it finds that if the applicant were so registered, its registration would be subject to suspension or revocation under subsection (c) of this section.

"(3) Any provision of this title (other than section 5 or paragraph (1) of this subsection) which prohibits any act, practice, or course of business if the mails or any means or instrumentality of interstate commerce is used in connection therewith shall also prohibit any such act, practice, or course of business by any registered government securities broker or registered government securities dealer or any person acting on behalf of such government securities broker or government securities dealer, irrespective of any use of the mails or any means or instrumentality of interstate commerce in connection therewith.

"(4) The Board of Governors of the Federal Reserve System, by rule or order, upon its own motion or upon application, may conditionally or unconditionally exempt any government securities broker or government securities dealer, or class of government securities brokers or government securities dealers, from any provision of this section or the rules thereunder, including the rules of the Government Securities Rulemaking Board, if the Board of Governors of the Federal Reserve System finds that such exemption is consistent with the public interest, the protection of investors, and the purposes of this title.

"(5) Any registered government securities broker or government securities dealer may, upon such terms and conditions as the Commission may deem necessary in the public interest or for the protection of investors, withdraw from registration by filing a written notice of withdrawal with the Commission.

"(6) If the Commission finds that any registered government securities broker or government securities dealer is no longer in existence or has ceased to do business as a government securities broker or government securities dealer, the Commission, by order, shall cancel the registration of such government securities broker or government securities dealer.

"(b)(1)(A) Not later than 120 days after the date of enactment of the Government Securities Act of 1985, the Board of Governors of the Federal Reserve System shall establish a Government Securities Rulemaking Board (hereinafter in this section referred to as the 'Board'), which shall perform the duties set forth in this section.

"(B) The Board shall be composed initially of nine members appointed by the Board of Governors of the Federal Reserve System. The initial members of the Board shall serve as members for a term of two years, and shall consist of—

"(i) three individuals who are not associated with any government securities broker or any government securities dealer (other than by reason of being under common control with, or indirectly controlling, any broker or dealer which is not a government securities broker or government securities dealer), hereafter in this subsection referred to as 'public representatives', at least two of whom are representative of investors in government securities;

"(ii) three individuals who are associated with and representative of government securities dealers that are monitored by and report daily to the Federal Reserve Bank of New York; and

"(iii) three individuals who are associated with and representative of government securities brokers and of government securities dealers other than those described in clause (ii).

"(C) Prior to the expiration of the terms of office of the initial members of the Board, an election shall be held, under rules adopted by the Board (pursuant to paragraph (2)(A) of this subsection), of the members to succeed such initial members.

"(2) The Board shall propose and adopt rules to administer the Board and to effect the purposes of this title with respect to transactions in government securities effected by government securities brokers and government securities dealers as follows:

"(A) Such rules shall establish fair procedures for the nomination and election of members of the Board and assure fair representation in such nominations and elections of government securities brokers and government securities dealers. Such rules shall provide (i) that the membership of the Board shall at all times be equally divided among representatives of the classes of persons set forth in clauses (i), (ii), and (iii) of paragraph (1)(B) of this subsection; and (ii) that at least two of the public representatives on the Board are representative of investors in government securities. Such rules shall also specify the term members shall serve.

"(B) Such rules shall provide for the operation and administration of the Board, including the selection of a Chairman from among the members of the Board, the compensation of the members of the Board, and the appointment and compensation of such

employees, attorneys, and consultants as may be necessary or appropriate to carry out the Board's functions under this section.

"(C) Such rules shall provide that each government securities broker and government securities dealer shall pay to the Board such reasonable fees and charges as may be necessary or appropriate to defray the costs and expenses of operating and administering the Board. Such rules shall specify the amount of such fees and charges.

"(D) Such rules shall establish standards providing safeguards with respect to the financial responsibility and related practices of government securities brokers and government securities dealers including, but not limited to, the acceptance of custody and use of customers' securities, the carrying and use of customers' deposits or credit balances, and the transfer and control of government securities in repurchase agreements and similar transactions.

"(E) Such rules shall prescribe records to be made and kept by government securities brokers and government securities dealers and the periods for which such records shall be preserved.

"(F) Such rules shall require government securities brokers and government securities dealers to make and disseminate reports, furnish copies of records, and file financial statements (which may be required to be certified by an independent public accountant) and other information concerning their financial condition. Such rules may prescribe the form and content of such financial statements and the accounting principles and accounting standards used in their preparation.

"(G) Such rules shall define the term 'separately identifiable department or division', as that term is used in section 3(a)(44) of this title, in accordance with specified and appropriate standards to assure that a bank is not deemed to be engaged in the business of buying and selling government securities through a separately identifiable department or division unless such department or division is organized and administered so as to permit independent examination and enforcement of applicable provisions of this title and the rules thereunder, including the rules of the Board. A separately identifiable department or division of a bank may be engaged in activities other than those relating to government securities.

"(H) Rules under subparagraphs (A) through (G) of this paragraph shall be proposed and adopted by the Board within 180 days after the establishment of the Board. Such rules shall thereafter be published for public comment by the Board of Governors of the Federal Reserve System and the Board of Governors of the Federal Reserve System shall take final action upon such rules within one year after such establishment.

"(3) If the Board determines, based upon its experience with rules adopted under paragraph (2) of this subsection, that the rules which are authorized to be proposed and adopted under paragraph (2) of this subsection are not sufficient to effect the purposes of this title, the Board may propose and adopt rules establishing standards relating to the operational capability of government securities brokers and government securities dealers and to the training, experience, competence, and other qualifications of natural persons associated with government securities brokers and government securities dealers.

"(4) If the Board of Governors of the Federal Reserve System determines that the rules which are authorized to be proposed and adopted under paragraph (2) of this subsection are not sufficient to effect the purposes of this title, the Board of Governors of the Federal Reserve System may, by rule, with respect to transactions in government securities effected by government securities brokers and government securities dealers—

"(A) regulate the amount of deposit that shall be initially required and subsequently maintained in connection with the purchase, sale, or carrying of any government security; and

"(B) after consultation with the Secretary of the Treasury, establish requirements relating to when-issued trading in government securities by government securities brokers and government securities dealers.

"(5)(A) Rules proposed and adopted under paragraphs (2), (3), and (4) of this subsection shall be designed to prevent fraudulent and manipulative acts and practices and to protect the integrity, liquidity, and efficiency of the market for government securities, investors, and the public interest.

"(B) Rules proposed and adopted under paragraphs (2) and (3) of this subsection shall not be designed to permit unfair discrimination between customers, issuers, government securities brokers, or government securities dealers, to fix minimum profits, to impose any schedule or fix rates of commissions, allowances, discounts, or other fees to be charged by government securities brokers or government securities dealers, to regulate by virtue of any authority conferred by this title matters not related to the purposes of this title or the administration of the Board, or to impose any burden on competition not necessary or appropriate in furtherance of the purposes of this title.

"(C) In proposing and adopting rules under this section, the Commission, the Board, and the Board of Governors of the Federal Reserve System—

"(i) shall consider the sufficiency and appropriateness of then existing laws and rules applicable to government securities brokers, government securities dealers, and persons associated with government securities brokers and government securities dealers; and

"(ii) may determine, to the extent consistent with the public interest, the protection of investors, and the purposes of this title, not to apply, in whole or in part, certain rules under this section, or to apply greater, lesser, or different standards, to certain classes of government securities brokers, government securities dealers, or persons associated with government securities brokers or government securities dealers.

"(6) The Board of Governors of the Federal Reserve System shall have the same functions, powers, and duties with respect to the Board as the Commission has with respect to the Municipal Securities Rulemaking Board under sections 17(a)(1), 17(b), 19(b), and 19(c) of this title, and the Board shall have the same duties and responsibilities as the Municipal Securities Rulemaking Board has under such sections.

"(7) If the Commission or the Secretary of the Treasury comments in writing on a proposed rule or proposed rule change of the Board that has been published for comment, the Board of Governors of the Federal Reserve System shall respond in writing to such written comment before approving the proposed rule or proposed rule change.

"(c)(1) No government securities broker or government securities dealer shall make use of the mails or any means or instrumentality of interstate commerce to effect any transaction in, or to induce or attempt to induce the purchase or sale of, any government security in contravention of any rule of the Board.

"(2) The Commission, by order, shall censure, place limitations on the activities, functions, or operations, suspend for a period not exceeding 12 months, or revoke the registration of any government securities broker or government securities dealer, if it finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, suspension, or revocation, is in the public interest and that such government securities broker or government securities dealer, or any person associated with such government securities broker or government securities dealer (whether prior or subsequent to becoming so associated), has committed or omitted any act or omission enumerated in subparagraph (A), (D), or (E) of paragraph (4) of section 15(b) of this title, has been convicted of any offense specified in subparagraph (B) of such paragraph (4) within 10 years of the commencement of the proceedings under this paragraph, or is enjoined from any action, conduct, or practice specified in subparagraph (C) of such paragraph (4).

"(3) Pending final determination whether any registration under this section shall be revoked, the Commission, by order, may suspend such registration, if such suspension appears to the Commission, after notice and opportunity for hearing, to be necessary or appropriate in the public interest or for the protection of investors.

"(4)(A) The Commission, by order, shall censure or place limitations on the activities or functions of any person associated, or seeking to become associated, with a government securities broker or government securities dealer, or suspend for a period not exceeding twelve months or bar any such person from being associated with a government securities broker or government securities dealer, if the Commission finds, on the record after notice and opportunity for hearing, that such censure, placing of limitations, suspension, or bar is in the public interest and that such person has committed or omitted any act or omission enumerated in subparagraph (A), (D), or (E) or paragraph (4) of section 15(b) of this title, has been convicted of any offense specified in subparagraph (B) of such paragraph (4) within ten years of the commencement of the proceedings under this paragraph, or is enjoined from any action, conduct, or practice specified in subparagraph (C) of such paragraph (4).

"(B) It shall be unlawful for any person as to whom an order entered pursuant to subparagraph (A) of this paragraph or paragraph (5) of this subsection suspending or barring him from being associated with a government securities broker or government securities dealer is in effect willfully to become, or to be, associated with a government securities broker or government securities dealer without the consent of the Commission. It shall be unlawful for any government securities broker or government securities dealer to permit such a person to become, or remain, a person associated with him without the consent of the Commission, if such government securities broker or government securities dealer knew, or, in the exercise of reasonable care should have known, of such order.

"(5) With respect to any government securities dealer for which the Commission is not the appropriate regulatory agency, the appropriate regulatory agency for such gov-

ernment securities dealer may sanction any such government securities dealer in the manner and for the reasons specified in paragraph (2) of this subsection and any person associated with such government securities dealer in the manner and for the reasons specified in paragraph (4) of this subsection. In addition, such appropriate regulatory agency may, in accordance with section 8 of the Federal Deposit Insurance Act (12 U.S.C. 1818), enforce compliance by such government securities dealer or any person associated with such government securities dealer with the provisions of this section and the rules thereunder, including the rules of the Board. For purposes of the preceding sentence, any violation of any such provision or rule shall constitute adequate basis for the issuance of any order under section 8(b) or 8(c) of the Federal Deposit Insurance Act, and the customers of any such government securities dealer shall be deemed to be 'depositors' as that term is used in section 8(c) of that Act. Nothing in this paragraph shall be construed to affect in any way the powers of such appropriate regulatory agency to proceed against such government securities dealer under any other provision of law.

"(6)(A) The Commission, prior to the entry of an order of investigation, or commencement of any proceedings, against any government securities dealer or person associated with any government securities dealer for which the Commission is not the appropriate regulatory agency for violation of any provision of this section, and the rules thereunder including any rule of the Board, shall—

"(i) give notice to the appropriate regulatory agency for such government securities dealer of the identity of such government securities dealer or person associated with such government securities dealer and the nature of and basis for such proposed action; and

"(ii) consult with such appropriate regulatory agency concerning the effect of such proposed action on sound banking practices and the feasibility and desirability of coordinating such action with any proceeding or proposed proceeding by such appropriate regulatory agency against such government securities dealer or associated person.

"(B) The appropriate regulatory agency for a government securities dealer (if other than the Commission), prior to the entry of an order of investigation, or commencement of any proceedings, against such government securities dealer or person associated with such government securities dealer, for violation of any provision of this section or the rules thereunder including the rules of the Board, shall—

"(i) give notice to the Commission of the identity of such government securities dealer or person associated with such government securities dealer and the nature of and basis for such proposed action; and

"(ii) consult with the Commission concerning the effect of such proposed action on the protection of investors and the feasibility and desirability of coordinating such action with any proceeding or proposed proceeding by the Commission against such government securities dealer or associated person.

"(C) Nothing in this paragraph shall be construed to impair or limit (other than by the requirement of prior consultation) the power of the Commission or the appropriate regulatory agency for a government securities dealer to initiate any action of a class described in this paragraph or to affect in any way the power of the Commission or such appropriate regulatory agency to initiate any other action pursuant to this title or any other provision of law.

"(7) The Board of Governors of the Federal Reserve System is authorized, by order, if in its opinion such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise, in furtherance of the purposes of this title, to remove from office or censure any member or employee of the Board who, the Board of Governors of the Federal Reserve System finds, on the record after notice and opportunity for hearing, has willfully (A) violated any provision of this title or the rules and regulations thereunder, including the rules of the Board, or (B) abused his authority.

"(d)(1) Periodic examinations of government securities brokers and government securities dealers to assess compliance with this title and the rules thereunder shall be conducted by—

"(A) a registered securities association or a registered national securities exchange, in the case of government securities brokers and government securities dealers who are members of such association or exchange; and

"(B) the appropriate regulatory agency for any government securities dealer, in the case of all other government securities dealers.

"(2) An appropriate regulatory agency, registered securities association, or a registered national securities exchange shall make a report of any examination conducted and, on request, furnish the Commission or the Board of Governors of the Federal Reserve System a copy thereof and any data supplied to it in connection with such examination. Subject to such limitations as the Board of Governors of the Federal Reserve System, by rule, determines to be necessary or appropriate in the public interest or for the protection of investors, the Commission and each appropriate regulatory agency, registered securities association, and registered securities exchange, shall make available to the Board, on request, a copy of any report concerning examinations of government securities brokers or government securities dealers made pursuant to this paragraph or section 17(c)(3) of this title.

"(e) Nothing in this section shall be construed to impair or limit the power of the Commission or the Board of Governors of the Federal Reserve System.".

SEC. 3. STUDY OF TRADING SYSTEM FOR GOVERNMENT SECURITIES.

(a) REQUIREMENTS FOR STUDY.—The Comptroller General, in coordination and consultation with the Board of Governors of the Federal Reserve, the Secretary of the Treasury, and the Commission, shall study the nature of the current trading system in the secondary market for government securities, including—

(1) the extent and form of availability of bids and asks for government securities transactions on a real time basis;

(2) the extent and form of the availability of government securities brokers' services in the secondary market; and

(3) whether quotations for government securities and the services of government securities brokers are available on terms which are consistent with the public interest, the protection of investors, and the purposes of this title.

(b) PUBLIC HEARINGS.—In addition to the collection of information through surveys, public document review, interviews, and other information-gathering methods, at least one joint public hearing shall be held during the course of conducting the study.

(c) REPORT AND RECOMMENDATIONS.—The report of the Comptroller General shall be submitted to the Congress no later than six months after the date of enactment of this Act.

SEC. 4. CONFORMING AMENDMENTS.

(a) DEFINITION OF EXEMPTED SECURITY.—Paragraph (12) of section 3(a) of the Act (15 U.S.C. 78c(a)(12)) is amended to read as follows:

"(12)(A) The term 'exempted security' or 'exempted securities' includes—

"(i) government securities, as defined in paragraph (42) of this subsection;

"(ii) municipal securities, as defined in paragraph (29) of this subsection;

"(iii) any interest or participation in any common trust fund or similar fund maintained by a bank exclusively for the collective investment and reinvestment of assets contributed thereto by such bank in its capacity as trustee, executor, administrator, or guardian;

"(iv) any interest or participation in a single trust fund, or a collective trust fund maintained by a bank, or any security arising out of a contract issued by an insurance company, which interest, participation, or security is issued in connection with a qualified plan as defined in subparagraph (C) of this paragraph; and

"(v) such other securities (which may include, among others, unregistered securities, the market in which is predominantly intrastate) as the Commission may, by such rules and regulations as it deems consistent with the public interest and the protection of investors, either unconditionally or upon specified terms and conditions or for stated periods, exempt from the operation of any one or more provisions of this title which by their terms do not apply to an 'exempted security' or to 'exempted securities'.

"(B)(i) Notwithstanding subparagraph (A)(i) of this paragraph, government securities shall not be deemed to be 'exempted securities' for the purposes of sections 15A and 17A of this title.

"(ii) Notwithstanding subparagraph (A)(ii) of this paragraph, municipal securities shall not be deemed to be 'exempted securities' for the purposes of sections 15, 15A, and 17A of this title.

"(C) For purposes of subparagraph (A)(iv) of this paragraph, the term 'qualified plan' means (i) a stock bonus, pension, or profit-sharing plan which meets the requirements for qualification under section 401 of the Internal Revenue Code of 1954, (ii) an annuity plan which meets the requirements for the deduction of the employer's contribution under section 404(a)(2) of such Code, or (iii) a governmental plan as defined in section 414(d) of such Code which has been established by an employer for the exclusive benefit of its employees or their beneficiaries for the purpose of distributing to such employees or their beneficiaries the corpus and income of the funds accumulated under such plan, if under such plan it is impossible, prior to the satisfaction of all liabilities with respect to such employees and their beneficiaries, for any part of the corpus or income to be used for, or diverted to, purposes other than the exclusive benefit of such employees or their beneficiaries, other than any plan described in clause (i), (ii), or (iii) of this subparagraph which (I) covers employees some or all of whom are employees within the meaning of section 401(c) of such Code, or (II) is a plan funded by an an-

nuity contract described in section 403(b) of such Code.".

(b) DEFINITION OF "SELF-REGULATORY ORGANIZATION".—Section 3(a)(26) of the Act (15 U.S.C. 78c(a)(26)) is amended—

(1) by striking out "or (solely" and inserting in lieu thereof "(solely"; and

(2) by inserting before the period at the end thereof ", or (solely for purposes of section 23(b) of this title) the Government Securities Rulemaking Board established by section 15C of this title".

(c) DEFINITIONS OF APPROPRIATE REGULATORY AGENCY.—Section 3(a)(34) of the Act (15 U.S.C. 78c(a)(34)) is amended—

(1) by inserting "or a government securities dealer" after "municipal securities dealer" in subparagraph (A);

(2) by inserting "and government securities dealers" after "municipal securities dealers" in subparagraph (A)(iv); and

(3) by redesignating subparagraph (F) as subparagraph (G) and inserting after subparagraph (E) the following new subparagraph:

"(F) When used with respect to the Government Securities Rulemaking Board, the Board of Governors of the Federal Reserve System.".

(d) DEFINITION OF STATUTORY DISQUALIFICATION.—Section 3(a)(39) of the Act (15 U.S.C. 78c(a)(39)) is amended—

(1) in subparagraph (B)—

(A) by inserting "or other appropriate regulatory agency" after "Commission"; and

(B) by striking out "or municipal securities dealer" and inserting in lieu thereof "municipal securities dealer, government securities broker, or government securities dealer", and

(2) in subparagraph (C)—

(A) by striking out "or municipal securities dealer" and inserting in lieu thereof "municipal securities dealer, government securities broker, or government securities dealer"; and

(B) by inserting ", an appropriate regulatory agency," after "Commission".

(e) ADDITIONAL DEFINITIONS.—Section 3(a) of the Act is further amended by adding at the end thereof the following new paragraphs:

"(42) The term 'government securities' means—

"(A) securities which are direct obligations of, or obligations guaranteed as to principal or interest by, the United States;

"(B) securities which are issued or guaranteed by corporations in which the United States has a direct or indirect interest and which are designated by the Secretary of the Treasury for exemption as necessary or appropriate in the public interest or for the protection of investors;

"(C) securities issued or guaranteed as to principal or interest by any corporation the securities of which are designated, by statute specifically naming such corporation, to constitute exempt securities within the meaning of the laws administered by the Commission; or

"(D) for purposes of section 15C, any put, call, straddle, option, or privilege on a government security other than a put, call, straddle, option, or privilege—

"(i) that is traded on one or more national securities exchanges; or

"(ii) for which quotations are disseminated through an automated quotation system operated by a registered securities association.

"(43) The term 'government securities broker' means a broker engaged in the business of effecting transactions in government securities for the account of others, but does not include any corporation the securities of which are government securities under subparagraph (B) or (C) of paragraph (42) of this subsection.

"(44) The term 'government securities dealer' means any person (including a separately identifiable department or division of a bank) engaged in the business of buying and selling government securities for his own account, through a broker or otherwise, but does not include—

"(A) any person insofar as he buys or sells such securities for his own account, either individually or in some fiduciary capacity, but not as a part of a regular business;

"(B) any corporation the securities of which are government securities under subparagraph (B) or (C) of paragraph (42) of this subsection; or

"(C) a bank, unless the bank is engaged in the business of buying and selling government securities for its own account other than in a fiduciary capacity, through a broker or otherwise.

If the bank is engaged in such business through a separately identifiable department or division (as defined pursuant to section 15C(b)(2)(H) of this title) the department or division and not the bank itself shall be deemed to be the government securities dealer.

"(45) The term 'person associated with a government securities broker or government securities dealer' or 'associated person of a government securities broker or government securities dealer' means—

"(A) when used with respect to a broker or dealer, any partner, officer, director, or branch manager of such government securities broker or government securities dealer (or any person occupying a similar status or performing similar functions), any person directly or indirectly controlling, controlled by, or under common control with such government securities broker or government securities dealer, or any employee of such government securities broker or government securities dealer; and

"(B) when used with respect to a government securities dealer which is a bank or a separately identifiable department or division of a bank, any person directly engaged in the management, direction, supervision, or performance of any of the government securities dealer's activities with respect to government securities, and any person directly or indirectly controlling such activities or controlled by the government securities dealer in connection with such activities.

"(46) The term 'registered broker or dealer' means a broker or dealer registered or required to register pursuant to section 15 or 15B of this title, except that in paragraph (3) of this subsection and sections 6 and 15A the term means such a broker or dealer and a government securities broker or government securities dealer (other than a bank or a separately identifiable department or division of a bank) registered or required to register pursuant to section 15C of this title.".

(f) ENFORCEMENT BY NATIONAL SECURITIES EXCHANGES.—Subsections (b)(1), (b)(6), and (d)(1)(B) of section 6 of the Act (15 U.S.C. 78f(b)(1), (b)(6), (d)(1)(B)) are each amended by inserting "including the rules of the Government Securities Rulemaking Board," after "regulations thereunder," each place it appears.

(g) SRO MEMBERSHIP.—Section 15(b)(8) of the Act (15 U.S.C. 78o(b)(8)) is amended—

(1) by inserting "registered or" after "any broker or dealer";

(2) by inserting "section 15, 15B, or 15C of" after "register pursuant to"; and

(3) by striking out "an exempted security or".

(h) RULEMAKING BY REGISTERED SECURITIES ASSOCIATIONS.—Section 15A(f) of the Act (15 U.S.C. 78o-3(f)) is amended—

(1) by inserting "(1)" after "(f)"; and

(2) by adding at the end thereof the following new paragraphs:

"(2) Nothing in subsection (b)(6), (b)(11), or (g)(3) shall be construed to permit a registered securities association to make rules concerning any transaction by a broker or dealer in a municipal security or a government security.

"(3) Nothing in subsection (e) shall be construed to apply to any transaction in a government security.".

(i) EXAMINATIONS.—Section 17(b) of the Act (15 U.S.C. 78q(b)) is amended—

(1) by inserting "registered government securities brokers, registered government securities dealers, and" after "All records of"; and

(2) by striking out "or registered municipal securities dealer" and inserting in lieu thereof "registered municipal securities dealer, registered government securities broker, or registered securities dealer".

(j) FILING OF AND ACCESS TO DOCUMENTS.—Section 17(c) of the Act (15 U.S.C. 78q(c)) is amended—

(1) by striking out "and municipal securities dealer" in paragraph (1) and inserting in lieu thereof "municipal securities dealer, government securities broker, and government securities dealer";

(2) by adding at the end of such paragraph the following new sentences: "The Government Securities Rulemaking Board shall file with each agency enumerated in section 3(a)(34)(A) of this title and with the Secretary of the Treasury copies of every proposed rule change filed with the Board of Governors pursuant to section 15C(b)(6) and 19(b) of this title.";

(3) by striking out "or municipal securities dealer" each place it appears in paragraphs (1), (2), and (3) and inserting in lieu thereof "municipal securities dealer, government securities broker, or government securities dealer"; and

(4) by adding at the end thereof the following new paragraph:

"(4) The Commission or the appropriate regulatory agency may specify that documents required to be filed with the Commission or such agency pursuant to this subsection may be retained by the originating clearing agency, transfer agent, municipal securities dealer, or government securities dealer or filed with another appropriate regulatory agency. The Commission or the appropriate regulatory agency (as the case may be) making such a specification shall continue to have access to the document on request.".

(k) BURDENS ON COMPETITION.—Section 23(a) of the Act (15 U.S.C. 78w(a)) is amended—

(1) by inserting "and the Board of Governors of the Federal Reserve System" after "Commission" each place it appears in paragraph (2);

(2) by inserting "or the Board's" after "Commission's" in paragraph (2);

(3) by inserting "and the Board of Governors of the Federal Reserve System" after "Commission" the first, second, and fourth place it appears in paragraph (3);

(4) by inserting "(including review pursuant to section 15C(b)(6) of this title)" after

"section 19(b) of this title" in paragraph (3); and

(5) by inserting "or the Board of Governors of the Federal Reserve System" after "Commission" the third place it appears in paragraph (3).

(l) COURT REVIEW OF FEDERAL RESERVE BOARD RULES.—Section 25(b)(1) of the Act (15 U.S.C. 78y(b)(1)) is amended by inserting "or a rule of the Board of Governors of the Federal Reserve System promulgated pursuant to section 15C of this title" after "17A, or 19 of this title".

(m) ADDITIONAL AMENDMENTS ADDING REFERENCES TO GOVERNMENT SECURITIES AND GOVERNMENT SECURITIES BROKERS AND DEALERS.—(1) Sections 15(b)(4)(B) and 17(f)(1) of the Act (15 U.S.C. 78o(b)(4)(B) and 78q(f)(1)) are each amended by inserting "government securities broker, government securities dealer," after "municipal securities dealer," each place it appears.

(2) Section 15(b)(4)(C) of the Act of (15 U.S.C. 780(b)(4)(C)) is amended by striking out "or municipal securities dealer," and inserting in lieu thereof "municipal securities dealer, government securities broker, or government securities dealer,".

(3) Section 23(b)(3) of the Act (15 U.S.C. 78w(b)(3)) is amended—

(A) by inserting ", government securities brokers and government securities dealers" after "municipal securities dealers" each place it appears; and

(B) by inserting ", government securities broker, or government securities dealer" after "municipal securities dealer".

(n) ADDITIONAL AMENDMENTS ADDING REFERENCES TO THE GOVERNMENT SECURITIES RULEMAKING BOARD.—(1) Section 15(b)(4) of the Act (15 U.S.C. 78o(b)(4)) is amended by striking out "or the rules of the Municipal Securities Rulemaking Board," each place it appears in subparagraphs (D) and (E) and inserting in lieu thereof "including the rules of the Municipal Securities Rulemaking Board and the rules of the Government Securities Rulemaking Board,".

(2) Section 15A of the Act (15 U.S.C. 78o-3) is amended by striking out "the rules of the Municipal Securities Rulemaking Board," each place it appears in subsections (b)(2), (b)(7), and (h)(1)(B) and inserting in lieu thereof "including the rules of the Municipal Securities Rulemaking Board and the rules of the Government Securities Rulemaking Board,".

(3) Section 19(e)(1)(A) of the Act (15 U.S.C. 78s(e)(1)(A)) is amended by striking out "thereunder, the rules of the self-regulatory organization, or, in the case of a registered securities association, the rules of the Municipal Securities Rulemaking Board" and inserting in lieu thereof "thereunder (including the rules of the Government Securities Rulemaking Board and, in the case of a registered securities association, the rules of the Municipal Securities Rulemaking Board), or the rules of the self-regulatory organization".

(4) Section 19(g)(1) of the Act (15 U.S.C. 78s(g)(1)) is amended—

(A) by inserting "(including the rules of the Government Securities Rulemaking Board)" after "regulations thereunder"; and

(B) by striking out "and the provisions of the rules of the Municipal Securities Rulemaking Board" and inserting in lieu thereof "(including the rules of the Municipal Securities Rulemaking Board)".

(5) Paragraphs (1) and (4) of section 19(h) of the Act (15 U.S.C. 78s(h)(1), (4)) are each amended—

(A) by inserting "(including the rules of the Government Securities Rulemaking Board)" after "rules or regulations thereunder"; and

(B) by striking out "or any provision of the rules of the Municipal Securities Rulemaking Board" in subparagraph (B) and insert in lieu thereof "(including any provision of the rules of the Municipal Securities Rulemaking Board)".

(6) Paragraphs (2) and (3) of section 19(h) of the Act (15 U.S.C. 78s(h)(2), (3)) are each amended—

(A) by inserting before the semicolon at the end of subparagraph (A) the following: "including the rules of the Government Securities Rulemaking Board)";

(B) by inserting "or" after "this title," in subparagraph (B); and

(C) by striking out "or the rules of the Municipal Securities Rulemaking Board" in subparagraph (B) and inserting in lieu thereof "(including the rules of the Municipal Securities Rulemaking Board or the rules of the Government Securities Rulemaking Board)".

(7) Subsections (a) and (d)(1) of section 21 of the Act (15 U.S.C. 78u(a), (d)(1)) are each amended—

(A) by inserting "(including the rules of the Municipal Securities Rulemaking Board and the rules of the Government Securities Rulemaking Board)" after "rules or regulations thereunder";

(B) by inserting "or" after "with a member,"; and

(C) by striking out "or the rules of the Municipal Securities Rulemaking Board,".

(8) Section 21(e)(1) of the Act (15 U.S.C. 78u(e)(1)) is amended—

(A) by inserting "(including the rules of the Municipal Securities Rulemaking Board and the rules of the Government Securities Rulemaking Board)" after "rules, regulations, and orders thereunder";

(B) by inserting "and" after "with a member,"; and

(C) by striking out "the rules of the Municipal Securities Rulemaking Board,".

SEC. 5. EFFECTIVE DATES.

(a) IN GENERAL.—Except as provided in subsection (b), this Act and the amendments made by this Act shall take effect 180 days after the date of enactment of this Act.

(b) EXCEPTIONS.—Notwithstanding subsection (a), effective on the date of enactment of this Act—

(1) the Securities and Exchange Commission may prescribe rules pursuant to section 15C(a)(2) of the Securities Exchange Act of 1934 (as amended by section 2 of this Act), relating to the registration of government securities dealers;

(2) the Board of Governors of the Federal Reserve System may establish the Government Securities Rulemaking Board pursuant to section 15C(b)(1) of the Securities Exchange Act of 1934 (as so amended); and

(3) the Government Securities Rulemaking Board may propose and adopt rules pursuant to section 15C(b) of the Securities Exchange Act of 1934 (as so amended).

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Colorado [Mr. WIRTH] will be recognized for 20 minutes and the gentleman from New Jersey [Mr. RINALDO] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Colorado [Mr. WIRTH].

Mr. WIRTH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 2032, as amended, the Government Securities Act of 1985. This bill was ordered reported by the Committee on Energy and Commerce on July 31, 1985, by a voice vote, without opposition. It was developed by a bipartisan group of Members, under the leadership of the distinguished chairman of the Energy and Commerce Committee, Mr. DINGELL, and the ranking minority member of the committee, Mr. BROYHILL.

I want to acknowledge at the outset the extraordinary efforts of members of the Subcommittee on Telecommunications, Consumer Protection and Finance who worked to develop the legislation: The gentleman from New Jersey, Mr. RINALDO, the gentleman from Washington, Mr. SWIFT, and the two gentlemen from Ohio, Mr. LUKEN and Mr. OXLEY.

We believe this legislation is necessary to protect investors and restore confidence in our markets. It addresses a serious deficiency in the supervision of our financial markets—a deficiency that has resulted in losses of over $900 million to investors since 1977 and has shaken confidence in our financial system as a whole.

I am sure your are aware of the most recent examples. In March of this year, the failure of ESM Government Securities, a small, unregulated Government securities dealer, resulted in more than $300 million in losses to savings and loan institutions and other investors.

Ohio's largest State-chartered savings and loan, Home State Savings Bank, lost $150 million in transactions with ESM. When it became known that Ohio's $130 million State insurance fund could be wiped out by Home State's losses alone, depositors with funds at other State-chartered thrifts panicked. We saw a run by depositors in that State—something we have not witnessed since the 1930's. Few thrifts had sufficient funds on hand to meet large-scale withdrawals, and the Governor of Ohio ordered the closure of all 71 State-chartered thrifts until the panic subsided. Ohio is still sorting through the fallout.

The savings and loan industry was not the only group hard hit by ESM's failure. Cities and local governments throughout the country that had invested taxpayers' funds with ESM were also losers. The cities of Beaumont, TX, and Toledo, OH, each lost $20 million, and three counties in the State of Washington lost a total of $17 million.

ESM failure set off a reaction in the Government securities market that soon led to the bankruptcy of another unregulated Government securities firm in New Jersey—Bevill, Bresler and Schulman Asset Management

Corp.—which cost 9 banks and 45 thrifts more than $240 million.

The losses from ESM and Bevill, Bresler occurred because of a serious gap in the supervision of our capital markets. While most securities broker-dealers must register with the Securities and Exchange Commission, dealers who trade only Government securities (Treasury securities and Government agency securities such as Fannie Mae's) are totally outside the bounds of Federal supervision. Consequently, a firm like ESM was able to engage in fraudulent practices for years. In fact, the evidence shows that ESM thwarted SEC investigators for more than 7 years before its collapse.

The lack of supervision in the Government securities market is even more disturbing in view of the fact that it is the largest securities market in the world. The Federal Reserve Board reports that the monthly trading volume for the largest Government securities dealers is more than $1.5 trillion—about 15 times the total volume of transactions in corporate securities on the stock exchanges and over-the-counter markets. It is also the most important market to our national economy. Through this market, the U.S. Government raised an average of $4 billion a day in 1984.

As we saw this spring, failures in this market can have international consequences. On March 19, 1985, just after ESM's failure and the crisis in Ohio, the dollar had its biggest drop in 15 years, and the price of gold jumped $35. The Financial Times of London titled an article on the U.S. financial system, "The Fear That More Dominoes May Fall." Confidence in the U.S. financial system was shaken around the world.

During consideration of these issues by the Subcommittee on Telecommunications Consumer Protection and Finance, there were some who lobbied against adding any safeguards to this market. One Government securities dealer testified that the problems at ESM and Bevill, Bresler resulted from the failure of investors (thrifts and municipalities) to take steps to protect themselves and, therefore, regulation of dealers was not necessary. Others argued that we should not legislate because no system can prevent fraud.

While fraud may be impossible to eliminate completely, there are certain minimum steps we can and must take to prevent unscrupulous dealers from placing investors, depositors, our financial institutions and our taxpayers' money at risk. We can register these dealers so we know who they are. We can require dealers to keep accurate books and records and submit to audits and inspections, making it more difficult for them to conceal fraud. We can require them to have adequate capital so they have some cushion against volatile interest rates. And we can require them to take steps to assure the safekeeping of investors' securities. All of these are standards with which other securities broker-dealers comply, and there is no reason why dealers in the world's biggest market should be free from these minimum responsibilities.

This bill would put these safeguards in place by creating a new industry self-regulatory organization called the Government Securities Rulemaking Board under the oversight of the Federal Reserve Board which would write rules to protect the integrity of the market. It requires that all Government securities dealers register with the SEC and gives the SEC and bank regulatory agencies power to enforce the rules.

Mr. Speaker, I noted at the outset that this bill is the product of a bipartisan partnership of members of the committee who believe it is a critical step toward restoring confidence in our financial markets. I also want to acknowledge the cooperation we have had in this effort from Members outside the committee. The gentleman from Illinois, Mr. ROSTENKOWSKI, and the gentleman from Mississippi, Mr. WHITTEN, worked closely with us in our deliberations on the legislation.

I would also note that the gentleman from the District of Columbia, Mr. FAUNTROY, and the Subcommittee on Domestic Monetary Policy have played a key role in educating Congress on the Government securities market. We have worked with the Committee on Banking and have welcomed the support of many of its members for the steps we are taking in the legislation.

We have also worked closely with the gentleman from Georgia, Mr. BARNARD, whose Subcommittee on Commerce, Consumer and Monetary Affairs of the Committee on Government Operations held extensive hearings on the recent failures of ESM and Bevill, Bresler. Those hearings further demonstrated the need for increased supervision of Government securities dealers and other participants in the market.

This bill will provide safeguards for investors. It will go a long way toward restoring confidence in a market that is critical to our economic health. It will help to maintain the liquidity and efficiency of this important market, which is of paramount importance to the effective, low-cost financing of the national debt. I strongly urge its passage.

Mr. RINALDO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am pleased to support this legislation and join with the gentleman from Colorado [Mr. WIRTH], chairman of the Telecommunications, Consumer Protection and Finance Subcommittee in moving this matter forward. He has done an excellent job.

I think everyone here is aware of the recent failure of ESM Securities in Florida and Bevill, Bresler, Shulman in my home State of New Jersey. These failures have underscored the fact that changes are needed in the largely unregulated Government securities market.

This legislation seeks to close this regulatory gap and prevent another Government securities failure by establishing a new Government Securities Rulemaking Board under the supervision of the Federal Reserve. Mandatory rulemaking by the new board would focus upon recordkeeping, registration, and financial responsibility.

Mr. Speaker, the Subcommittee on Telecommunications, Consumer Protection and Finance spent an extensive amount of time in an attempt to accommodate the concerns of the Federal Reserve Board, the SEC, and primary and secondary dealers. So we did our homework and we examined all facets of this problem.

I believe that the Members and staff, particulary Members like the gentleman from North Carolina [Mr. BROYHILL], the ranking minority member of the full Committee on Energy and Commerce, and the gentleman from Michigan [Mr. DINGELL], chairman of the full Committee on Energy and Commerce, and everyone else involved should be commended for their efforts and the manner in which they approached an extremely serious problem. The bill that we are considering today is drafted so as to provide a fair and sound regulatory framework. At the same time, it does not impose excess rigidity or needless duplicative requirements. It is drafted to protect the integrity and efficiency and the liquidity of the Government securities market.

Any costs to the system should be minimal. In fact, no one can come up with any accurate estimate of costs, because they are going to be practically nothing.

We also have to bear in mind that doing nothing, after the market weaknesses we have experienced, adds tremendous costs to the marketing of securities. So everyone on this subcommittee felt that it was an accepted fact that something had to be done, and something should be done, before another failure occurs.

I urge my colleagues to join me and the chairman of the subcommittee, the gentleman from Colorado [Mr. WIRTH], and the gentleman from North Carolina [Mr. BROYHILL], and the gentleman from Michigan, [Mr. DINGELL], chairman of the full committee, in supporting this very important and needed piece of legislation.

Mr. OXLEY. Mr. Speaker, will the gentleman yield?

Mr. RINALDO. I yield to the gentleman from Ohio.

Mr. OXLEY. I thank the gentleman for yielding and would simply add my voice in support of this legislation.

Those of us in Ohio I think particularly are very familiar with what has happened and the publicity that has resulted from the closing of savings and loans throughout Ohio because of the ESM collapse. This legislation, it seems to me, is a response to that very difficult situation that we face in the State of Ohio and that the State of Maryland is now facing.

We came through it relatively well, but there is clearly an indication from the strength of the dollar throughout the entire world that a seemingly small problem that developed in the State of Florida, spread to Ohio, could have an effect on worldwide markets, and that is why this legislation is so important.

I have to congratulate the chairman of the subcommittee as well as the full committee for what I consider to be a classic example of the legislative process at work. We had testimony from experts in the area, including Chairman Volcker from the Federal Reserve and Chairman Shad of the SEC, and testimony from different commercial dealers, during the drafting of this legislation. This is a very positive move in trying to see to it that this kind of situation does not happen again.

I think we can all be proud of our committee for the product that we have on the floor today. I am pleased to be a cosponsor and ask all of my colleagues to support this very meaningful and worthwhile legislation.

I yield back to the gentleman from New Jersey.

Mr. MATSUI. Mr. Speaker, will the gentleman yield?

Mr. RINALDO. I am pleased to yield to the gentleman from California.

Mr. MATSUI. Mr. Speaker, I want to congratulate Chairman DINGELL, Congressman WIRTH, and the Energy and Commerce Committee on their timely response to a serious problem. The market for U.S. Government securities has not been operating in a manner that adequately protects the interests of investors. The failure of securities dealers has led to financial panics not experienced in this country since the 1930's. Action is clearly called for.

The Committee on Ways and Means has an interest in the efficient operation of the market for U.S. Government securities that extends beyond mere jurisdictional concern. The policies of this administration and this Congress result in unprecedented peacetime deficits. These $200 billion deficits must be financed by selling new securities and huge amounts of existing debt must be refinanced on a continuing basis.

This House, by approving the budget resolution for fiscal year 1986, has passed and sent to the other body a resolution to increase the debt ceiling to over $2 trillion. The efficiency of the U.S. Government securities market has an impact on the cost to the American public of paying interest on this debt. Any development affecting the marketing of U.S. Government securities falls within the scope of our committee's responsibilities for debt management under the Second Liberty Bond Act.

There is no reason to believe that the regulatory framework developed in the Energy and Commerce Committee's bill before us will adversely impact the U.S. Government securities market. Indeed, the influence could be positive if investor confidence is enhanced. However, the Committee on Ways and Means would be concerned if a new regulatory apparatus hindered the development of new and innovative methods the Treasury Department might use to market its securities. The Committee on Ways and Means will want to monitor the evolution of a new regulatory process from this perspective.

The Committee on Ways and Means did not request sequential referral of H.R. 2032 because of our heavy schedule of tax and trade legislation and because of the need to solve expeditiously many of the problems in securities markets. We will nonetheless have a continuing interest in this matter so that we can retain the most efficient debt management system possible for the Government, and one that protects the interests of investors in that market.

□ 1245

Mr. RINALDO. Mr. Speaker, I yield such time as he may consume to the ranking minority member of the full committee, the gentleman from North Carolina [Mr. BROYHILL].

Mr. BROYHILL. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of this bill. This is a bill that I originally cosponsored, and I support it now here in its amended form. It is an important measure. It does address a major problem.

The markets in U.S. Government and Federal agency securities are the largest and most efficient securities markets in the world, and it is important that we maintain the efficiency, soundness, liquidity, and depth of the Government securities market. This is crucial to the viability of our economy since transactions in Government securities are the principal means of financing our national debt.

Mr. Speaker, we have already heard in the debate today where the failure of certain securities firms have had a profound and negative effect on financial institutions in other parts of the country. The fact is that our committee found that these failures were usually precipitated by fraudulent activity, by misleading financial statements, failure to maintain adequate books and records, lack of net capital requirements, and customer ignorance of the type and effect of the transactions in which they were engaging.

This legislation establishes a minimal regulatory framework to address the problem, and I maintain that it is necessary, it is essential, it is needed, and I urge the quick passage of this legislation.

Mr. WIRTH. Mr. Speaker, I yield 5 minutes to the distinguished delegate from the District of Columbia [Mr. FAUNTROY] who will speak on behalf of the Committee on Banking, Finance and Urban Affairs.

Mr. FAUNTROY. Mr. Speaker, I am pleased to join with my colleagues from the Committee on Energy and Commerce in support of H.R. 2032, a bill which responds to the need for effective regulation of the Government securities market. This bill will restore confidence. It is cost effective. More importantly, it represents the combined judgment of a very large number of overseers, regulators and participants in the Government securities market as the best way of assuring that the most efficient market in the world remain safe, sound and able to support the needs in Government finance and the Federal Reserve's conduct of monetary policy.

The Committee on Banking, Finance and Urban Affairs, through its Subcommittee on Domestic Monetary Policy, has long had an interest in the Government securities market because of its impact on credit availability, interest rates, and potential effects on the Federal Reserve's ability to conduct monetary policy. As early as March 1982, the Subcommittee on Domestic Monetary Policy began an inquiry into problems associated with Federal debt management which was shortly followed by additional hearings that resulted in a request to the General Accounting Office for a comprehensive study of the Government securities market.

Much of the work done by the GAO in response to that request is incorporated into both this bill and its report. I am pleased that our committee and the Committee on Energy and Commerce have been able to develop a bill which reflects so much of these efforts. Our cooperative spirit is a sign of the capacity of Congress to respond in a deliberate and thoughtful fashion to a potentially devastating financial crisis long before it occurs. While we have had several untoward events over the past few years whose portents warn of much greater tragedies were we to fail to act, I think it is fair to state that our combined committees have acted with reasonable dispatch and consideration in assuring protection for participants in these markets.

For all of this, however, I must nonetheless state that investors in every market must continue to use prudence and common sense. Much of what we saw in the losses by failures of unregulated, undercapitalized, and unscrupulous dealers was carelessness, greed, and misplaced trust by investors. This bill does not substitute for prudence and common sense. It does, however, provide additional safeguards that prudent investors can use. I would hope that investors will take full advantage of them.

The shock waves that went through all financial markets and which ultimately resulted in the failure of a statewide private insurance fund for depository institutions is a statement of the importance of the Government securities market. It is also a statement of the need for expeditious consideration of this bill. While the Government securities themselves are absolutely free of default risks, we have learned that their use as the underlying security in a derivative product, like a repurchase or reverse repurchase agreement, may not be so riskless. Thus, there is a need to develop a standard for evaluating the financial position of a dealer and for the handling of records and customer securities, as well as to establish both standards and a registration process for determining who is a dealer.

H.R. 2032, as reported, accomplishes these goals through a new, but limited, self-regulatory organization under the oversight of the Federal Reserve. Aside from some details which deal primarily with housekeeping-type matters, this approach is almost identical to that which was proposed by myself to my own subcommittee.

Were we to not act, potential investor fear and uncertainty might very well lead to higher interest rates and difficulties in debt financing. It is my own hope, however, that the approach which was adopted in this bill will enhance market confidence and thus offset any costs which a regulatory scheme must necessarily impose, even if they are as small as they are expected to be.

Thus, it is with a great deal of pleasure that I join in supporting this bill. I also want to thank Chairman DINGELL and Chairman WIRTH for agreeing to reserve time for the Banking Committee and for their splendid cooperation with all of the members of my subcommittee and the full committee.

Mr. WIRTH. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Ohio [Mr. LUKEN] who has been so helpful in the development of this important legislation.

Mr. LUKEN. Mr. Speaker, I rise today in support of H.R. 2032, the Public Securities Act of 1985.

The markets in U.S. Government and Federal agency securities are the largest and most efficient securities markets in the world. Our national debt is financed through the Government securities market and Government securities are an essential weapon in the implementation of monetary policy by the Federal Reserve Board.

But there are serious weaknesses in the regulatory framework that governs the Government securities markets. For example, brokers and dealers who effect transactions exculsively in Government securities are exempt from the broker-dealer registration provisions of the securities laws and are not required to become members of a self-regulatory organization under the oversight of the Securities and Exchange Commission.

Moreover, the Federal Reserve Bank of New York, to whom the 36 primary dealers in Government securities report voluntarily, has no statutory authority or other basis on which to conduct onsite inspections of nonbank secondary dealers.

These gaps in regulation have been a contributing factor in the failures of a number of unregistered Government securities dealers. These failures include, during the past 8 years, Winters Government Securities in 1977, Hibbard & O'Connor Government Securities in 1979, Drysdale Government Securities and Lombard-Wall in 1982, as well as ESM Government Securities, Inc. and Bevill, Bresler & Shulman Asset Management Corp. during 1985.

Most Government securities are purchased by institutional investors, including financial institutions, municipalities, corporations, and pension funds. Individual investors hold only 9 percent of outstanding Government securities.

Why should the general public be concerned about the failure of a few Government securities dealers? Here's why.

It has now been more than 6 months since the collapse of an obscure Government securities dealer in Fort Lauderdale, FL, ESM, forced the temporary closing of 71 thrift institutions in the State of Ohio, left millions of innocent depositors without access to their savings for more than 3 months, and brought about a major restructuring of Ohio savings and loans.

But these failures reach far beyond the immediate victims, by threatening our Nation's financial system and undermining investor confidence. For example, the ESM financial crisis sent the price of gold soaring and the value of the dollar crashing on international markets.

We have an opportunity to act decisively today to prevent future ESM's and future Bevill Breslers by bringing brokers in Government securities under mandatory Federal regulatory supervision for the first time.

The bill, as reported by the Energy and Commerce Committee, would provide for the creation of a new nine member Government Securities Rulemaking Board comprised of representatives of Government securities dealers and investors in Government securities.

The Board would be supervised by the Federal Reserve Board, which would have the power to approve or disapprove its rules. Fed Chairman Paul Volcker advocated this regulatory framework in testimony before the Telecommunications Subcommittee last June.

The legislation directs the rulemaking board to issue mandatory regulations in critical areas identified by numerous witnesses before the subcommittee. These include: Registration of all dealers, recordkeeping requirements, and financial responsibility.

For the first time, all Government securities dealers would be required to register with the SEC, although the Federal Reserve and the SEC would have the authority to exempt certain dealers. In addition, and most importantly, the SEC would be given authority to enforce the rules of the Board and the Federal Reserve.

In practical effect, this means that the SEC would have authority to inspect the financial records of any Government securities dealer at any time.

If the Commission had possessed such authority in 1977, the SEC's enforcement agents, who were hot on the trail of ESM, would have uncovered the massive fraud that ESM was able to perpetrate on the American public for so long and would have corrected the problems that existed or shut the firm down. And the financial crisis that resulted would have been avoided.

Instead, because they lacked the authority, they spent 4 years in court in an unsuccessful attempt to gain access to ESM's books. Then, in 1981, the Commission incredibly called off its investigators and dropped pursuit of the matter entirely.

The legislation we have before us today addresses major shortcomings in Federal supervision of the Government securities market and goes a long way toward assuring the kind of protection that investors and the American public have a right to expect but have not received from the Federal Government.

I ask my colleagues to support this important measure.

Mr. WIRTH. Mr. Speaker, I yield 2 minutes to the gentleman from Kansas [Mr. SLATTERY].

Mr. SLATTERY. Mr. Speaker, as a cosponsor of the Government Securities Act of 1985, I urge my colleagues to support this important legislation. Prompt action on this bill is needed to restore investor confidence in the Government securities market and to provide for the efficiency and integrity of

the market in U.S. Treasury securities. The successful operation of this market is especially essential to the conduct of fiscal and monetary policy, due to our ongoing need to finance the Federal debt.

The recent failures of two small unregulated dealers, ESM Government Securities and Bevill, Bresler & Schulman have provided dramatic evidence of the inability of the SEC and other Federal and State regulators to prevent serious failures in the Government securities market. These were not isolated incidents; we have witnessed a pattern of bankruptcies caused by unsupervised, speculative trading practices and the failure to conform to strong financial standards.

Smooth trading in Federal securities is absolutely essential, as the national debt multiplies. There is an explosive risk in leaving this portion of the securities market unmonitored. I urge my colleagues to join me in supporting this legislation.

Mr. Speaker, I commend the chairman of the subcommittee, the gentleman from Colorado [Mr. WIRTH] and the ranking minority member, the gentleman from New Jersey [Mr. RINALDO] for their leadership on this issue.

Mr. RINALDO. Mr. Speaker, I yield 3½ minutes to the gentleman from Minnesota [Mr. FRENZEL].

Mr. FRENZEL. Mr. Speaker, it is not my intention to rain on what is obviously a very popular and attractive picnic that has been presented to us today. In fact, I must give my congratulations to the committee and all of the capable and distinguished people who have worked on this bill.

Clearly, there was a problem; the committee reacted in the best way that it could.

It is also fair to say, Mr. Speaker, that the committee received little or no cooperation from the Department of the Treasury whose case I now raise. Faced with that lack of cooperation, the committee did what it had to do on a bipartisan and unanimous basis.

However, the Treasury, I am informed, has seen the error of its ways and wishes to present legislation that it thinks can remedy the problem that the committee perceived and that the public has perceived in such a way that it does not interfere with their responsibility of managing the public debt and in such a way that it does not increase the cost to the taxpayers of that public debt.

One of the problems that Treasury sees is this new Government securities marketing board with extra authority, a brand new commission; Treasury believes that the controversial bill could add billions of dollars to the deficit by increasing the cost of financing the public debt.

Earlier in the year the Congress asked the SEC to study the problem and did so in consultation with the Federal Reserve and Treasury.

Those three agencies agreed that an acceptable approach would be to have Treasury and not the Federal Reserve Board make the rules to provide for more effective regulation of the Government securities market. It has already been stated by another participant in this debate that the SEC Chairman, of course, has that feeling.

The Treasury's market is the largest market in the world. We wish it were not so. We wish we did not have to borrow and roll our debt as frequently as we do. As long as we have to, it is our obligation both to make it a safe market and to make it an efficient one at the very least possible cost for the taxpayers.

I believe that the Treasury has seen the error of its ways, that it will present to the Congress within a few weeks a bill which will do, I think, what the committee wishes to do but do it in a way that does not inhibit or add extra cost to the Treasury's management of the problem.

Therefore, Mr. Speaker, I felt compelled to raise the Treasury's cause and its ideas before this body.

I shall not ask for a vote on this.

□ 1300

Mr. Speaker, I believe that the committee has done a good job; it is proceeding in good faith and there is nothing wrong with the bill that cannot be straightened out elsewhere, and for that reason, I will not request a recorded vote.

I should like to invite the Members' attention to the problem that this may cost the taxpayers an awful lot of money, and that therefore we should look for perhaps an enhancement of the bill as it moves through the legislative process.

The letter referred to earlier follows:

THE SECRETARY OF THE TREASURY,
Washington, DC, September 16, 1985.

Hon. THOMAS P. O'NEILL, JR.,
Speaker of the House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This letter is to inform you of the Administration's strong opposition to H.R. 2032, the "Government Securities Act of 1985." H.R. 2032 would establish a new regulatory agency and a new system of regulation for the government securities market. We plan to submit legislation in the next few weeks that will meet the essential regulatory objectives of H.R. 2032 in a manner less disruptive of the market for United States Treasury obligations and therefore less likely to lead to increased debt financing costs to the United States taxpayer and larger budget deficits.

H.R. 2032 is designed to respond to problems that have arisen as a result of recent failures of a few small unregulated dealers in the government securities market. As a result of these failures some institutional investors have suffered financial loss. A careful study of the Governments securities market has led us, and others, to conclude that additional regulatory oversight is necessary. We have reached this conclusion because we believe that the maintenance of unquestioned integrity of the market in United States Treasury obligations is essential to management of the public debt.

However, H.R. 2032 goes far beyond what is needed to maintain the integrity of the market for Treasury securities, establishing a new regulatory system for government securities and a new quasi-governmental regulatory body, the "Government Securities Rulemaking Board." The broad powers of that Board and of the Board of Governors of the Federal Reserve System, which would have oversight responsibility over it, would duplicate the Treasury's debt management responsibilities and impose unnecessary and burdensome regulation on the government securities market. Furthermore, we are concerned that this legislation, which impacts severely on an essential financial function of the federal government, has not been the subject of any consideration by those in Congress with expertise in that area, in particular the House Ways and Means Committee.

The Treasury has been charged by Congress with the efficient management of the public debt. Under the public debt statutes, the Treasury currently issues regulations and imposes certain restrictions on government securities dealers to assure the integrity and efficiency of the market. However, because of recent events, there is a need to broaden the Secretary's authority in order to assure effective compliance with standards that should be met by all dealers in Treasury securities. Treasury believes a legislative proposal along these lines and consistent with the regulatory proposal agreed to by the Treasury, the Federal Reserve, and the Securities and Exchange Commission earlier this year would be the most effective means of securing the integrity of the government securities market.

The market for Treasury securities is largely an institutional one for which the extensive regulatory regimes currently in place for other securities are not appropriate. Passage and implementation of H.R. 2032 would establish duplicative jurisdiction over this market, with resulting confusion and uncertainty. Higher financing costs to the United States taxpayer and higher budget deficits would inevitably follow. Because of the serious problems this legislation would pose, I would not recommend that the President sign the bill if enacted in its present form.

We urge the House to postpone further consideration of H.R. 2032 until these issues, and Treasury's proposed response, can be given full consideration.

Sincerely,

JAMES A. BAKER III.

Mr. WIRTH. Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the full committee, the gentleman from Michigan [Mr. DINGELL].

Mr. DINGELL. Mr. Speaker, the bill H.R. 2032 responds to a string of spectacular disasters in the Nation's Government securities market. Because small, thinly capitalized, unregulated Government securities dealers currently may engage in transactions with other regulated institutions, as well as with local governments and other public and private investors, un-

sound and fraudulent practices can send, and indeed have sent, shock waves throughout the financial community and the economy. Although the fraud provisions of the Federal securities laws apply to exempted Government securities, the ability of the SEC to prosecute fraudulent activities of Government securities dealers after the fact has done little to prevent losses or restore confidence lost as a result of failures in this important market.

In May 1982, shock waves, like those triggered by the March 1980 silver market collapse, reverberated through Wall Street after it was announced that Drysdale Government Securities, Inc., was unable to pay $270 million in interest accrued on Government bonds that it had borrowed in repo transactions with Chase Manhattan Bank. Initially, Chase Manhattan refused to pay that interest to its 30-odd securities firm customers, thereby placing them in jeopardy. Had Chase Manhattan finally not agreed to pay, there would have been widespread disruption in the market.

In hearings before a House Banking Subcommittee, Federal regulators described the Drysdale collapse as an "aberration." They said that the market was capable of healing its own wounds and that no regulatory cure was needed.

In 1984, however, a staggering $155 million pretax loss from a $2 billion speculative position in Treasury bonds was disclosed by the Nation's largest insurance broker, Marsh & McLennan Cos. Before we could piece together what happened there, Lion Capital Group taught a bitter lesson to an impressive roster of stunned school districts by filing for chapter 11 and leaving them unable to touch millions of dollars in Treasury securities they lent to Lion because of its promise of above-average returns.

This year ESM Government Securities, Inc., and Bevill, Bresler & Schulman failed within weeks of one another for a total combined loss to investors, local governments and savings and loans of over $500 million. All of Bevill, Bresler's affiliated securities concerns were put into receivership and losses greatly exceeded early estimates of $198 million. The list of its creditors includes 45 savings and loans and 9 banks, including three Maryland thrifts and the D.C. government. ESM's failure resulted in losses of over $300 million and triggered a run by depositors that forced the temporary closing of 71 Ohio thrift institutions and saw our citizens once again standing in depression-type lines outside financial institutions.

We cannot allow fraud and proven bad business practices in our financial markets.

We have been exploring solutions to these market failures over the past 2 years. We have talked with the Committee on Banking and the Committee on Ways and Means, the Federal regulators, market professionals and investors. The Government Securities Act represents our best judgment as to the least intrusive, most coordinated, and most cost-efficient way to restore confidence in the government securities market and protect our citizens from further instances of fraud and rascality.

H.R. 2032 is cosponsored by 36 Members of the House from both parties.

Mr. Speaker, I want to commend my distinguished colleague, the chairman of the subcommittee, the gentleman from Colorado [Mr. WIRTH]; the gentleman from New Jersey [Mr. RINALDO] and the distinguished gentleman from North Carolina [Mr. BROYHILL] for the outstanding work that they have done in bringing this legislation to the floor.

Mr. Speaker, the Treasury Department alleges that H.R. 2032 represents congressional overreaction to "recent failures of a few small unregulated dealers" and that only "some institutional investors have suffered financial loss. I want to observe that the distinguished gentleman from Minnesota [Mr. FRENZEL] has behaved in a most gentlemanly and appropriate fashion here, and I commend him for the fashion in which he has discussed this legislation.

I would observe that the Treasury has not been so afflicted with the factual approach.

Failures of Government securities dealers have been going on under Treasury's nose since 1977 and have cost investors approximately $1 billion in losses.

These failures included:

Winters Government Securities, Inc. (1977).
Hibbard & O'Connor Government Securities, Inc. (1982).
Drysdale Government Securities, Inc. (1982).
Comark, Inc. (1982).
Lombard-Wall, Inc. (1982).
Lion Capital Group, Inc. (1984).
RTD Securities, Inc. (1984).
ESM Government Securities, Inc. (1985).
Bevill Bresler Schulman Asset Management Corp. (1985).
Parr Securities Corp. (1985).

Among the more prominent of these failures were Drysdale, Lion, ESM, and Bevill Bressler.

Drysdale's customers incurred over $300 million in losses. This firm was bankrupt on the day it opened its doors.

The failure of Lion in 1984 resulted in losses of $40 million to about 60 institutions.

ESM, an unregistered Government securities dealer located in Fort Lauderdale, FL, failed in March 1985, with losses of over $300 million to investors. About $200 million of the $300 million of ESM losses were incurred by two Ohio savings and loan associations, triggering a run on Ohio's thrift institutions.

Bevill Bressler, an unregistered Government securities dealer located in New Jersey, failed in April 1985, with customer losses of as much as $235 million to a list of creditors including 45 savings and loans and 9 banks, including three Maryland thrifts and the D.C. government. As a result of their dealing with Bevill Bressler, three Government securities dealers, Brokers Capital, Ltd., Midwest Government Securities, and Collins Securities Corp., incurred aggregate losses of over $9.7 million and failed or were liquidated.

These comments do not include the misery that has been occasioned to depositors and the savings and loan systems in Ohio and in Maryland, where the losses have been directly attributable to failures in the regulatory systems with regard to Government securities dealers.

It is very clear, Mr. Speaker, that such customer losses are not something that can lightly be tolerated.

The Treasury Department's efforts to trivialize these losses and failures is an insult to the American public and to the intelligence of this body.

The Treasury Department also says that this legislation has not been the subject of any consideration by those in Congress with the relevant expertise. I find this an odd statement for them to make. Securities and exchanges have been under the jurisdiction of the Committee on Energy and Commerce since 1935. The Banking Committee, which has jurisdiction over the Federal Reserve and the conduct of monetary policy, has been working with us and is on the floor today supporting H.R. 2032. The Ways and Means Committee has also reviewed the bill and the House Report 99-258 and were consulted by committee staff and the Office of the Parliamentarian. I have talked personally with Chairman ROSTENKOWSKI. A member of that committee, Mr. MATSUI, has expressed the support of the Ways and Means Committee for H.R. 2032. The Treasury Department's representations vis-a-vis Ways and Means are just plain false.

Treasury likewise says that we should stop the train and wait for them to develop their own legislation. My response is: "Where have they been?"

We have been working on this for over 2 years and this particular bill was introduced in April. All the while, Treasury has been naysaying legislation and now expects us to accept their newly found beliefs. What they propose strikes me as too little, too late. One of the cosponsors of H.R. 2032, Mr. SWIFT, the gentleman from Washington, wrote an op-ed article for

the August 4, 1985, New York Times, "Fed, Not Treasury, Should Take the Lead," handily putting the Treasury's arguments to rest. The article will be included in the RECORD at the close of my remarks.

The Treasury also says this is going to adversely affect the financing of the national debt, a statement which is factually incorrect, as rebutted by the testimony of the chairman of the Federal Reserve Board in his appearance before our committee.

I would observe that this is one of the few areas where freebooters may enter, do business to suit themselves, extort large sums of money from the public, fly the town by night, and leave behind them calamity in their wake.

Interestingly enough, the Federal Government years ago found it necessary to regulate securities dealers. There is literally no difference in the behavior and the functioning of a securities dealer dealing with government bonds and one dealing with State bonds or local obligations, but one is regulated and one is not. Guess which one is not? The ones which this bill would regulate and the ones which are bringing about serious economic disasters in the wake of their misbehavior.

Let it be clear: It is not simply undercapitalization; it is not simply misfortune which has brought these events about. It is fraud, criminal misbehavior as well as diligent application of simple incompetence.

We all agree that it is high time that the Congress do something about this. The Treasury says, however, for us to wait and to allow them to develop their own legislation. The Committee has sought to have them bring forth some recommendations; instead, they sat in their tent, and sulked, and have refused to assist and cooperate. We have had to seek elsewhere for the advice which was necessary.

I say with collapses bringing down savings and loan systems, causing losses to local governments, causing untold hardship to citizens across the country, it is time that something be done without waiting for the lackadaisical Treasury Department, which apparently is concerned more with its in-house concerns than it is with the protection of the American investing public. The Congress is simply compelled to do something.

Business Week has had some extraordinarily interesting remarks on its May 28, 1984, editorial page, which I think merit quoting at this particular time. Their comments were really very simple. They said:

The public and the firms themselves cannot tolerate the kind of lax financial practices that have caused a string of failures since the Drysdale Government Securities collapse two years ago. The Marsh & McLennan fiasco indicates that the market is still too freewheeling for its own good. The market needs minimum capital requirements for all dealers, tougher reporting rules, and stricter control over repurchase agreements. If the dealers do not police themselves, the government will.

They also went on to say in the rest of the editorial, that the Government should. Now, this is not a voice of the far left; it is a voice out of the financial mainstream; this is Business Week.

I would urge my colleagues to recognize that the time for tolerating misbehavior in this market; the time for permitting folks to bring disaster and misfortune upon innocent citizens everywhere, to cause collapse of financial institutions because of misbehavior, to escape the ordinary regulatory process and to behave in a fashion which is generally accepted as intolerable for this group is now passed.

The Treasury's importuning of us to delay while they come forth with some sort of program whose character and nature is unknown to us and whose purposes are unclear is, I think, irresponsible.

I would urge my colleagues to support this bill.

FED, NOT TREASURY, SHOULD TAKE THE LEAD

(By Al Swift)

Financial failure can be a powerful educational tool. Bank failures in the early 1930's taught us something about bank investment policies that had been missed by contemporary economics. In the same way, the failures this spring of E.S.M. Government Securities Inc. and Bevill, Bresler & Schulman Inc., both unregulated Government securities dealers, have shown us the regulatory gaps in the marketplace.

This trillion-dollar market is vital to the Treasury for financing the Federal debt, to the Federal Reserve Board for carrying out monetary policy and as a primary arena for institutional investors. Yet, we have no consistent Federal oversight, no uniform standards of conduct or capitalization, no accurate idea even of how many firms are dealing in Government securities.

We do know that when things go wrong in this marketplace, they go wrong in a big way. The failure of E.S.M. alone resulted in losses of more than $300 million for small institutional investors and many municipalities. This, in turn, scared international markets, leading to the biggest drop in the dollar in 15 years.

Unfortunately, E.S.M. and Bevill, Bresler are only the latest in a series of scandals in Government securities that includes—in just the last three years—the failures of Lombard Wall, Lion Capital Group and Drysdale Government Securities. After each collapse, we were told by Government experts that the failure was an aberration, that investors would now beware and that no regulatory corrections were needed.

Testifying before the House Telecommunications and Finance subcommittee last month, an acting Assistant Secretary of the Treasury, John Neihenke, said that the Treasury was "opposed to additional legislation . . . We are, of course, concerned about losses stemming from the [recent] failures. However, there has been no perceptible impact on the Government securities market from these failures."

Thus, while investors and financial institutions have lost close to $1 billion in this market since 1982, the Treasury—as an issuer of the securities—has found no cause for complaint. Mr. Neihenke went on to state that if Congress insists upon reforms, "any legislation which is enacted should recognize Treasury's responsibility for regulating and monitoring this market, and continue to vest such regulatory oversight responsibility with the department."

Some oversight! If the Treasury was indeed policing the beat, what went wrong? According to Mr. Neihenke, it was the fault of the deputies: "The victims of E.S.M. were institutional investors, thrifts and municipalities, which are subject to regulation at the Federal or state level."

It seems the Treasury wants to have it both ways. It does not want legislation, but should there be any, it wants to be in charge. It claims jurisdictional responsibility for the Government securities marketplace, but should anything go wrong, somebody else should have been more vigilant.

In contrast, the Federal Reserve chairman, Paul A. Volcker, has recommended, constructively, that the Federal Reserve be given lead responsibility for the market, and that it be aided by a self-regulatory organization (of Government securities brokers, dealers and investors) with rule-making authority over financial standards and market practices—subject to a Fed veto.

This approach makes sense, and is reflected in legislation passed this past week by the Energy and Commerce Committee. The Fed has the greatest hand-on expertise in Government securities and wields a great deal of acknowledged authority over the 36 primary dealers that handle the vast majority of the business. A self-regulatory organization would allow for continuous oversight by a responsible peer group.

It is also important to bring into play the Securities and Exchange Commission's experience in combating securities fraud. When E.S.M. and Bevill, Bresler collapsed, the S.E.C. was first on the scene. But the S.E.C. should be required to institute minimal registration for all dealers and be granted audit and investigatory powers, all of which should help head off fraud before it occurs.

The S.E.C. chairman, John Shad, and others have asserted that regulation of Government securities could add as much as $2 billion a year to the cost of financing the nation's debt. Let me reassure the chairman that neither his own staff nor market participants believe this figure. The true amount would be a tiny fraction of $2 billion, and would be in line with the costs of other financial regulatory agencies.

The subcommittee has worked closely with the primary dealers and other market participants in developing a consensus for legislation. It has also received technical advice from the New York Fed and the S.E.C. Any rule making should also have the benefit of the treasury's views, and a formal consultative process with both the Treasury and the S.E.C. should be followed before the Federal Reserve passes on any rules promulgated by the self-regulatory organization.

To many investors, the Government securities market today is still an unmapped territory of confused jurisdiction and regulatory gaps. In westerns, the bad men always flocked to towns with a weak sheriff. It's time we brought some prudent oversight to these financial badlands, where the writ of law still does not run.

Mr. WIRTH. Mr. Speaker, I yield one-half minute to the gentleman from Oregon [Mr. WEAVER].

Mr. WEAVER. First, Mr. Speaker, let me commend the chairmen of the committees that have brought this bill to the floor. I want to say that, not just the smaller players in this business are the culprits; the major, most prestigious institutions manipulate the Treasury bond market, and as a member of the Committee on Agriculture, I believe that we should also deal with the U.S. Treasury bond futures market which is closely related to the cash market, and is heavily manipulated as well.

Mr. WIRTH. Mr. Speaker, I yield myself the remaining minute.

Mr. Speaker, I will be placing into the RECORD a response to the comments made by the Department of the Treasury. I appreciate the statements made earlier by the gentleman from Minnesota [Mr. FRENZEL] and his understanding of the Treasury being Johnny-come-lately to this issue. We had asked them for months and months for their assistance; it was not forthcoming.

They have now gotten into this; they say they have a plan. I would also urge Treasury to please not be a Johnny-come-lately to the facts. They continue to emphasize what they say are cost figures which are specious and untrue. They have been quoted as talking about billions of dollars—cost figures which have been totally disabused in testimony before the subcommittee in response to questioning by the gentleman from Washington [Mr. SWIFT].

So the cost issue raised is specious. The argument that the bill would interfere with their responsibilities is also specious. The Treasury has no experience, no responsibility in regulating securities dealers; no experience in registering and checking on their past histories; no experience in inspecting books and records of dealers and conducting investigations for fraud and other securities laws violations; no experience in setting minimum capital requirements nor in setting requirements for customer protection. Treasury is an issuer, not equipped to do what the gentleman from Michigan suggests that this legislation is supposed to do.

I thank all of my colleagues for the great help on this legislation.

□ 1310

Mr. RINALDO. Mr. Speaker, I yield myself 1 minute, to say that it should be pointed out on the record that this is not an omnibus and instrusive regulatory scheme, that it is a regulatory scheme that was dictated by the testimony at the hearings, a regulatory scheme that establishes specific and narrow requirements of registration, recordkeeping and reporting and net capital requirements, something that for those who attended the hearings, people recognize something that was very, very definitely needed.

When we talk about costs, I do not think that the gentleman from Minnesota, my good friend, actually in his statement came up with any indication or scintilla of evidence whatsoever to indicate that there would be the kinds of costs that he mentioned occur as a result of this legislation getting enacted into law.

I think, above all else, we have to recognize that these responsibilities are responsibilities that investors and the public expect, that they need, deserve, and are entitled to.

Mr. RODINO. Mr. Speaker, as an original cosponsor of the Government Securities Act of 1985, I am pleased to rise in support of this much needed legislation.

The market for the securities of the U.S. Government is the largest in the world. Record setting levels of Federal deficits have increased its size even more. The efficient functioning of this market requires a high level of investor confidence—confidence that we can retain only if Government securities dealers maintain the highest standards of accurate disclosure, performance, and financial soundness and accountability.

In the 98th Congress, the Committee on the Judiciary became aware of the regulatory vacuum in this area. The Subcommittee on Monopolies and Commercial Law held bankruptcy hearings relating to certain issues involved in Government securities dealer's bankruptcy cases which revealed the lax, and in some instances fraudulent, business practices that had developed in this industry. These hearings heightened my concerns about the lack of regulation in this area and the need for greater financial and investor protection requirements.

Unfortunately, we have seen the demise of two government securities dealers in recent months—one in my home State of New Jersey, the other in Florida. These cases have added to a lack of investor confidence in the market.

At a time when all of us are anxious to minimize unncessary and costly Government regulation, the approach taken by this bill is a sound one. It creates an industry self-regulatory organization—the Government Securities Rulemaking Board—as the primary rulemaking body. The Board of Governors of the Federal Reserve System is responsible for overseeing these rulemaking activities. Enforcement responsibilities are shared by a number of existing government agencies—in particular the Securities and Exchange Commission—that will maintain a list of all registered firms. Another very much needed change is the imposition of minimal recordkeeping requirements that will permit better surveillance of the industry.

I am very pleased to add my voice in support of this very important legislation. I want to commend the gentleman from Michigan and the gentleman from Colorado for their efforts in bringing this matter to a vote in a timely fashion.

Mr. BARNARD. Mr. Speaker, I rise in strong support of H.R. 2032, the Government Securities Act of 1985.

This past spring, the Commerce, Consumer and Monetary Affairs Subcommittee of Government Operations, which I chair, conducted a comprehensive investigation and held oversight hearings into the failures of two Government securities dealers: ESM Government Securities of Fort Lauderdale, FL, and Bevill, Bresler & Schulman of Livingston, NJ. Between our ESM hearing on April 3 and our BB&S hearing on May 15, the country witnessed the collapse of four other Government securities dealers. Unless H.R. 2032 is enacted, I am convinced that there will be many such failures.

Mr. Speaker, the Commerce, Consumer and Monetary Affairs Subcommittee's investigation and hearings did, of course, examine the adequacy of current supervision of the Government bond markets. But because the subcommittee has oversight jurisdiction for our banking system, we also focused heavily on the impact of Government securities fraud on the Nation's financial institutions.

A subcommittee report on our investigation is currently in preparation and will be considered next month. But in view of today's vote on H.R. 2032, I thought it would be useful to describe a few of our central findings:

First, at the present time, governmental and private sector supervision of Government securities transactions is grossly inadequate. A principal cause of this inadequacy is that under current law, Government securities transactions are generally exempt from day-to-day scrutiny of the SEC and the NASD. While these agencies can investigate Government securities trades if evidence of fraud is present, they have insufficient authority to examine these transactions on a day-to-day basis. Systematic examination authority is essential if fraud and wrongdoing are going to be detected at a sufficiently early stage to premit corrective action;

Second, although recent cases of Government securities fraud involved smaller, so-called secondary dealers, even the transactions of primary dealers require more effective scrutiny. While the Federal Reserve receives regular reports from and exercises oversight of these primary dealers, their cooperation is voluntary. It must be made mandatory.

Finally, and this is the key point I wish to make, billions of dollars in Government securities are purchased each year by the Nation's federally insured financial institutions. Many thrift institutions and commercial banks suffered extensive losses in the failures of ESM and Bevill Bresler. We all know that the ESM failure precipitated the crisis among Ohio's 71 privately insured thrift institutions. What is not so commonly known is that the Maryland privately insured thrift industry was an indirect casualty, as well. Moreover, all of the Nation's

private deposit insurance systems have suffered major defections because of the domino effect of the fraud at ESM.

In the Bevill Bresler collapse, the Commerce, Consumer and Monetary Affairs Subcommittee's investigation discovered that 80 savings and loans, 14 national banks, 14 federally insured nonmember banks, and 4 Fed member banks are likely to suffer combined losses of $353 million.

Accordingly, enactment of H.R. 2032 is essential not just to protect the integrity of Government securities markets, but to protect the safety and soundness of the thousands of banks and thrifts that trade in these instruments.

I strongly urge support for the legislation.

Mr. LEVIN of Michigan. Mr. Speaker, I rise to express my strong support of H.R. 148, the Michigan Wilderness Heritage Act of 1985. I am proud to be a cosponsor of this important legislation, and I extend my thanks to my colleague from Michigan, Mr. KILDEE, for his tireless efforts in helping to preserve what is left of Michigan's wilderness lands.

My support for this bill is rooted in my belief that there is a clear and growing danger to wilderness lands throughout the United States. Of late, we have heard more and more of the ravages of reckless industrialization and deforestation. Rarely valued monetarily, the loss of the ecosystem services provided freely by these areas entail real social and economic costs. In my own State of Michigan, which possesses more Forest Service land than any other State east of the Mississippi, I have myself witnessed the gradual despoilment of the land. H.R. 148 provides us with an opportunity to stem the tide of this despoilment. In sum, H.R. 148 would designate 90,000 acres of northern Michigan as wilderness. Wilderness status means no construction of roads or buildings, no mining, logging, or other activities which would alter the land's natural conditions.

The proposed wilderness areas, grouped by national forest, are: Huron-Manistee National Forest the Nordhouse Dunes, 3,000 acres; Ottawa National Forest, Sylvania, 19,200 acres, Sturgeon River Gorge, 14,700 acres and McCormick Experimental Forest, 17,000 acres; Hiawatha National Forest, Rock River Canyon, 5,000 acres, Big Island Lakes, 5,000 acres, Delirium, 11,000 acres, Carp River, 11,000 acres, Horseshoe Bay, 3,900 acres, Government Island, 210 acres, and Round Island, 380 acres.

I also want to add that while H.R. 148 protects these 90,000 acres, at the same time it reiterates the rights of sportsmen, hikers, and researchers, to name a few, to enjoy and study the land. Indeed, this is the whole purpose of the legislation; to maintain these last strands of virgin forest for the present and future generations to enjoy.

Again, I wish to thank my colleague for championing this legislation, and I urge support for H.R. 148.

Mr. RINALDO. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado [Mr. WIRTH] that the House suspend the rules and pass the bill, H.R. 2032, as amended.

The question was taken.

Mr. LUNGREN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were refused.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WIRTH. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

EXPRESSING SENSE OF CONGRESS IN SUPPORT OF EFFORTS OF ORGANIZERS AND PARTICIPANTS IN FARMAID CONCERT IN CHAMPAIGN, IL

Mr. WEAVER. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 185) expressing the sense of the Congress in support of the efforts of the organizers of and participants in the FarmAid Concert to be held in Champaign, IL, to bring the current crisis in American agriculture to the attention of the American people.

The Clerk read as follows:

H. CON. RES. 185

Whereas family farms have played a critical role in the history and development of the United States;

Whereas, during the first 6 months of 1985, more than 43,000 mortgages on farms in the United States have been foreclosed;

Whereas over 200,000 jobs have disappeared due to the decline in the farm economy;

Whereas it is paramount that the contribution of agriculture to the United States economy be recognized and protected; and

Whereas the FarmAid Concert will focus national attention on the plight of the American farmer: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that the efforts of the organizers of and participants in the Farmaid Concert to be held in Champaign, Illinois, to bring the current crisis in American agriculture to the attention of the American people should be supported.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Oregon [Mr. WEAVER] will be recognized for 20 minutes and the gentleman from Kansas [Mr. ROBERTS] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Oregon [Mr. WEAVER].

Mr. WEAVER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the terrible plight of American agriculture is unprecedented in modern history. House Concurrent Resolution 185, simply expresses the sense of Congress in support of the efforts made by the organizers of the FarmAid Concert. This concert will be held in Champaign, IL, on September 22. The purpose of this event is to bring to the attention of the American people the impact of the current farm depression on rural America.

Senator TOM HARKIN has introduced companion legislation, Senate Concurrent Resolution 63 in the other body.

Mr. Speaker, we owe special thanks to performer Willie Nelson. The deep concern he and other performers share for the family farmer brought about this concert. Another performer, Neil Young, agreed to assist in coordinating talent for the concert. The timing will afford the American people the opportunity to understand more fully the plight of the family farmer.

Mr. Speaker, my aide, Bill Sparks, has written a song recorded by Neil Young, and I believe it will be performed at this concert. The title of the song is "Going, Going, Gone." Those are the words of the auctioneer, auctioning off the farms of our Nation. The plight of hard-working, efficient farmers is heard in the sad but loving lyrics of this fine song.

Nashville Network, along with a group of commercial TV stations, will broadcast the concert live. Ninety-five percent of all homes in America will be able to see all or part of the concert.

The depth and extent of the current crisis in American agriculture is common knowledge to many of my colleagues and to those living in rural America. FarmAid will make urban America more aware of the current agricultural depression. Mr. Speaker, I, therefore, urge passage of House Concurrent Resolution 185.

Mr. ROBERTS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Concurrent Resolution 185, expressing the sense of the Congress in support of the efforts of the organizers and participants in the FarmAid Concert to be held in Champaign, IL, to bring the current crisis in American agriculture to the attention of the American people.

I have the privilege of representing 58 counties in Kansas. My congressional district produces more wheat than any other State. Beef cattle, grain sorghum, and corn are also vital cornerstones of the economy in my district. We have harvested a near record crop of wheat and we will be harvesting a huge crop of feed grain this fall. Yet,

even with these good crops, income is still too low for farmers to make ends meet. Our exports continue to decline and the U.S. Government continues to build inventories of grain that will depress prices for years to come.

During the August recess, I visited all 58 counties that I represent. Repeatedly, I was asked by farmers, "Do they really know how bad it is out here in farm country?" To that end, spreading the word about the seriousness of economic conditions in farm country, the FarmAid Concert will be very beneficial and the organizers of that effort should be commended for their efforts to bring the problems of the farmer to the attention of the general public.

One of the serious questions concerning the concert is what to do with the money raised at the concert. It has been pointed out that agriculture's debt is so large that if we raise $40 million it will barely pay the interest for 1 day on the farmer's debt. As the ranking Republican on the Department Operations Research and Foreign Agriculture Subcommittee, it was recently called to my attention that the U.S. Department of Agriculture has a program through the USDA Extension Service that provides financial counseling, crisis management, and general support to distressed farmers. The program is currently only operational in 12 States. It would be of great service to the American farmer if this program could be extended to all 50 States and expanded in scope. However, because of limited budget, the Agriculture Committee was unable to expand funding for this program.

I can think of no better use for the money raised by the FarmAid Concert than to put it to use providing counseling to distressed farmers. And I can think of no better organization than the Federal Extension Service in our fine land-grant schools who have been serving American farmers since 1914 to implement and use the FarmAid money wisely. I urge the organizers of the concert to take a look at the extension program as possible use for the money raised.

Mr. DE LA GARZA. Mr. Speaker, I rise in support of House Concurrent Resolution 185, expressing the sense of the Congress in support of the efforts of the organizers of and participants in the FarmAid Concert to be held in Champaign, IL, to bring the current crisis in American agriculture to the attention of the American people.

Agriculture is our Nation's largest and most basic industry. America's farmers have given our people the world's best diet at cost which—in comparison with the average consumer's earnings—really constitute a farmer subsidy to the general public. One of the chief reasons this country has been able to grow and make progress in many areas has been the growing efficiency of its farmers and the other segments of agriculture. When agriculture is depressed, the farmer and his family suffer—but they do not suffer alone. There is distress in the agricultural supply industries and in businesses on hundreds of main streets around the Nation. And in the long run, a depressed and demoralized agriculture would be very bad economic news for the entire Nation.

Much of the agriculture today is in trouble today because of a combination of factors and forces that lie largely outside the areas that farmers themselves can control. The causes of today's problems include the general worldwide recession of the early 1980's, which depressed markets for American products, the strength of the dollar in recent years, the practices of some competing nations in world markets, and continuing surpluses of some commodities.

Perhaps the most glaring sign of the problems facing many segments of American agriculture today is the drastic decline which has taken place in farmland values. Losses in land values in recent years—beginning in 1981—have been the most severe since the Great Depression.

Behind the gloomy statistics lies a story of stark tragedy for thousands of families and hundreds of rural communities.

I congratulate the organizers and the participants in this FarmAid Concert because their efforts will certainly help to raise the consciousness of the American people about the plight of our Nation's farm families and about the way this economic adversity not only affects their health, happiness, and well-being, but also sends waves of unrest into various other sectors of our society.

Mr. Speaker, I urge the Members to join me in support of House Concurrent Resolution 185.

Mr. GROTBERG. Mr. Speaker, many of the Nation's farmers are in trouble. They're suffering from years and years of temporary first-aid measures in places where major surgery actually should have been performed.

But we're hopefully headed for the road to recovery, as Congress prepares to debate a new farm bill.

In the meantime, however, farmers will be getting some additional help through the Nation's first FarmAid Concert to be held September 22 at the University of Illinois—Champaign-Urbana, IL.

This FarmAid benefit concert is being produced by country music legend Willie Nelson to not only raise funds to aid distressed farmers, but also to put the spotlight on the plight of the American farmer. Willie Nelson and Illinois Gov. James Thompson, who've been spearheading the effort, deserve much credit.

Besides Willie Nelson, there is a list of 48 other performers who have pledged their time to perform at this worthwhile benefit. More than 77,000 tickets for the 12-hour event were sold within 72 hours, showing the grassroots support for this benefit, which organizers hope will raise $40 million for debt-ridden American farmers.

Agriculture, Mr. Speaker, is the Nation's largest industry and biggest employer in my district. Some 2.5 million people in the United States work in some area of Agriculture or Agribusiness. Agriculture is not just a rural issue, it's also an urban issue. When farmers are facing tough times, it also affects other businesses dependent on farm family patronage.

The plight of our farmers is a crisis that should concern all Americans.

Today we have a measure before us expressing congressional support for efforts by organizers and participants of the FarmAid Concert to heighten the public's awareness of the trouble many of our farm communities face. I urge the support of House Concurrent Resolution 185.

Mr. WEAVER Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Oregon [Mr. WEAVER] that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 185.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WEAVER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the concurrent resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Oregon?

There was no objection .

MICHIGAN WILDERNESS HERITAGE ACT OF 1985

Mr. SEIBERLING. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 148) to designate certain public lands in the State of Michigan as wilderness, and for other purposes, as amended.

The Clerk read as follows:

H.R. 148

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Michigan Wilderness Heritage Act of 1985".

SEC. 2. In furtherance of the purposes of the Wilderness Act of 1964 (16 U.S.C. 1131), the following lands in the State of Michigan are hereby designated as wilderness, and therefore as components of the National Wilderness Preservation System—

(a) "subject to valid existing rights and reasonable access to exercise such rights" certain lands in the Manistee National Forest, comprising approximately three thousand acres as generally depicted on a map entitled "Nordhouse Dunes Wilderness—Proposed", dated July 1985, and which shall be known as the Nordhouse Dunes Wilderness;

(b) certain lands in the Ottawa National Forest, comprising approximately eighteen thousand three hundred twenty five acres

as generally depicted on a map entitled "Sylvania Wilderness—Proposed", dated July 1985, and which shall be known as the Sylvania Wilderness;

(c) certain lands in the Ottawa National Forest, comprising approximately fourteen thousand eight hundred and fifty acres as generally depicted on a map entitled "Sturgeon River Gorge Wilderness—Proposed", dated July 1985, and which shall be known as the Sturgeon River Gorge Wilderness;

(d) certain lands in the Hiawatha National Forest, comprising approximately five thousand acres as generally depicted on a map entitled "Rock River Canyon Wilderness—Proposed", dated July 1985, and which shall be known as the Rock River Canyon Wilderness;

(e) certain lands in the Hiawatha National Forest, comprising approximately five thousand five hundred acres as generally depicted on a map entitled "Big Island Lake Wilderness—Proposed", dated July 1985, and which shall be known as the Big Island Lake Wilderness;

(f) certain lands in the Hiawatha National Forest, comprising approximately twelve thousand four hundred acres as generally depicted on a map entitled "Mackinac Wilderness—Proposed", dated July 1985, and which shall be known as the Mackinac Wilderness;

(g) certain land in the Hiawatha National Forest, comprising approximately three thousand nine hundred acres as generally depicted on a map entitled "Horseshoe Bay Wilderness—Proposed", dated July 1985, and shall be known as the Horseshoe Bay Wilderness;

(h) certain lands in the Hiawatha National Forest, comprising approximately twelve thousand acres as generally depicted on a map entitled "Delirium Wilderness—Proposed", dated July 1985, and which shall be known as the Delirium Wilderness;

(i) certain lands in the Hiawatha National Forest, comprising approximately two hundred and fourteen acres as generally depicted on a map entitled "Les Cheneaux Wilderness—Proposed", dated July 1985, and which shall be known as the Les Cheneaux Wilderness;

(j) certain lands in the Hiawatha National Forest, comprising approximately three hundred and seventy-seven acres as generally depicted on a map entitled "Round Island Wilderness—Proposed", dated July 1985, and which shall be known as the Round Island Wilderness;

(k) certain lands in the Ottawa National Forest, comprising approximately sixteen thousand eight hundred and fifty acres as generally depicted on a map entitled "McCormick Wilderness—Proposed", dated July 1985, and which shall be known as the McCormick Wilderness.

SEC. 3. As soon as practicable after this Act takes effect, the Secretary of Agriculture shall file maps and legal descriptions of each wilderness area designated by this Act with the Committee on Energy and Natural Resources, United States Senate, and the Committee on Interior and Insular Affairs, House of Representatives, and each such map and legal description shall have the same force and effect as if included in this Act: *Provided, however,* That correction of clerical and typographical errors in such legal descriptions and maps may be made. Each such map and legal description shall be on file and available for public inspection in the office of the Chief of the Forest Service, Department of Agriculture.

SEC. 4. Subject to valid existing rights, each wilderness area designated by this Act shall be administered by the Secretary of Agriculture in accordance with the provisions of the Wilderness Act of 1964 governing areas designated by that Act as wilderness areas except that with respect to any area designated in this Act, any reference in such provisions to the effective date of the Wilderness Act of 1964 shall be deemed to be a reference to the effective date of this Act.

SEC. 5. (a) The Congress finds that—

(1) the Department of Agriculture has completed the second roadless area review and evaluation program (RARE II); and

(2) the Congress has made its own review and examination of National Forest System roadless areas in the State of Michigan and of the environmental impacts associated with alternative allocations of such areas.

(b) On the basis of such review, the Congress hereby determines and directs that—

(1) without passing on the question of the legal and factual sufficiency of the RARE II final environmental statement (dated January 1979) with respect to National Forest System lands in the State of Michigan; such statement shall not be subject to judicial review with respect to National Forest System lands in the State of Michigan;

(2) with respect to the National Forest System lands in the State of Michigan which were reviewed by the Department of Agriculture in the second roadless area review and evaluation (RARE II) and those lands referred to in subsection (d), that review and evaluation or reference shall be deemed for the purposes of the initial land management plans required for such lands by the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, to be an adequate consideration of the suitability of such lands for inclusion in the National Wilderness Preservation System and the Department of Agriculture shall not be required to review the wilderness option prior to the revisions of the plans, but shall review the wilderness option when the plans are revised, which revisions will ordinarily occur on a ten-year cycle, or at least every fifteen years, unless, prior to such time, the Secretary of Agriculture finds that conditions in a unit have significantly changed;

(3) areas in the State of Michigan reviewed in such final environmental statement or referenced in subsection (d) and not designated wilderness upon enactment of this Act shall be managed for multiple use in accordance with land management plans pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976: *Provided,* That such areas need not be managed for the purpose of protecting their suitability for wilderness designation prior to or during revision of the initial land management plans;

(4) in the event that revised land management plans in the State of Michigan are implemented pursuant to section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, and other applicable law, areas not recommended for wilderness designation need not be managed for the purpose of protecting their suitability for wilderness designation prior to or during revision of such plans, and areas recommended for wilderness designation shall be managed for the purpose of protecting their suitability for wilderness designation as may be required by the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, and other applicable law; and

(5) unless expressly authorized by Congress, the Department of Agriculture shall not conduct any further statewide roadless area review and evaluation of National Forest System lands in the State of Michigan for the purpose of determining their suitability for inclusion in the National Wilderness Preservation System.

(c) As used in this section, and as provided in section 6 of the Forest and Rangeland Renewable Resources Planning Act of 1974, as amended by the National Forest Management Act of 1976, the term "revision" shall not include an "amendment" to a plan.

(d) The provisions of this section shall also apply to National Forest System roadless lands in the State of Michigan which are less than five thousand acres in size.

SEC. 6. Congress does not intend that designation of wilderness areas in the State of Michigan lead to the creation of protective perimeters or buffer zones around each wilderness area. The fact that nonwilderness activities or uses can be seen or heard from areas within the wilderness shall not, of itself, preclude such activities or uses up to the boundary of the wilderness.

SEC. 7. As provided in section 4(d)(7) of the Wilderness Act, nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the State of Michigan with respect to wildlife and fish in the national forests in Michigan.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Ohio [Mr. SEIBERLING] will be recognized for 20 minutes and the gentlewoman from Nevada [Mrs. VUCANOVICH] will be recognized for 20 minutes.

The Chair recognizes the gentleman from Ohio [Mr. SEIBERLING].

Mr. SEIBERLING. Mr. Speaker, I yield such time as he may consume to the gentleman from North Carolina [Mr. WHITLEY], and I would like to thank the gentleman and his committee for their excellent cooperation with the Committee on the Interior and Insular Affairs in bringing this bill to the floor.

Mr. WHITLEY. Mr. Speaker, the bill, H.R. 148, to designate certain public lands in the State of Michigan as wilderness was referred to the Agriculture Committee on Tuesday, September 10, 1985, for the period ending Tuesday, September 24, 1985. Following my remarks I am including for the RECORD a copy of the letter written on September 5, 1985, asking for referral of the bill to the Agriculture Committee.

Mr. Speaker, speaking on behalf of the Agriculture Committee, we have no objection to the House now considering H.R. 148. However, in the event there is a conference with the Senate concerning the matters acted upon in this bill, the Agriculture Committee will request to be represented.

Mr. Speaker, I thank the gentleman from Ohio [Mr. SEIBERLING] for his co-

operation and the cooperation of the full Interior and Insular Affairs Committee with our committee.

COMMITTEE ON AGRICULTURE,
Washington, DC, September 5, 1985.
Hon. THOMAS P. O'NEILL,
Speaker, House of Representatives, H-204, The Capitol, Washington, DC.

DEAR MR. SPEAKER: I respectfully request referral to the Committee on Agriculture of the bill H.R. 148, to designate certain public lands in the State of Michigan as wilderness, and for other purposes. Unfortunately, the bill was not referred to this Committee when it was introduced on January 3, 1985.

H.R. 148 proposes the designation of certain wilderness areas within the National Forests located in the State of Michigan. This Committee's jurisdictional interest in the Nation's forests is established under clause 1(a)(13) of House Rule X, which specifically includes forestry in general and forest reserves other than those created from the public domain in the Committee's jurisdiction. I understand that roughly 90% of the National Forest land involved in H.R. 148 is acquired land, not public domain land. Thus, the jurisdiction of this Committee in the proposed legislation is clear.

If H.R. 148, or comparable legislation, should be reported by the Committee on Interior and Insular Affairs, I request that it be referred to the Committee on Agriculture.

Sincerely,

E (KIKA) DE LA GARZA,
Chairman.

Mr. SEIBERLING. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 148, the Michigan Wilderness Heritage Act of 1985. As reported by our committee, the bill would designate approximately 92,416 acres of national forest land as wilderness, most of which is located in Michigan's Upper Peninsula.

Mr. Speaker, in discussing this bill I believe it should first be pointed out that the wilderness proposals of H.R. 148 are very modest. Although Members may not be aware of it, Michigan has more national forest land—2.7 million acres to be exact—than any State east of the Mississippi River. And yet to date, not a single acre has been designated as wilderness. H.R. 148 attempts to balance the wilderness/nonwilderness ledger somewhat by designating 3.3 percent of the national forests in Michigan as wilderness. And while that acreage may seem meager in comparison with the wilderness in other States, the wilderness proposals of the bill are significant because they are truly representative of the broad range of ecosystems which exist in the State.

For example, the proposals include two scenic islands in Lake Huron; a dunes ecosystem on the Lake Michigan shoreline and a lovely 7-mile stretch of the Lake Huron shoreline.

And let me digress, Mr. Speaker. I spent many of my boyhood summers on an island off the southern shore of Lake Huron, and at that time, and even after World War II, one could travel most of the shore of the Upper Peninsula on the Lake Huron side, and everywhere were beautiful, pristine beaches, with fir trees and conifers in the background and the beautiful blue of Lake Huron before. Today, with the exception of these stretches that we are dealing with here, practically all of them are now developed and subdivided and allotted up into summer homes. And that is fine. I think that is something that is part of our heritage. But I think it is also part of our heritage that we should preserve some of these pristine areas. And, fortunately, because they were in the national forest, we have been able to do so, and that certainly applies to the 7-mile stretch of Lake Huron that I have just mentioned.

It also includes a lowland river/swamp ecosystem that provides excellent boating; the Hiawatha National Forest's largest and most productive great blue heron rookery; two scenic river canyons bounded by towering cliffs and several areas containing lake chains which afford outstanding canoeing. As such, the bill protects a microcosm of the landforms which exist in north and central Michigan and will ensure that those areas are available for future generations to enjoy in their natural state. The wilderness proposals also preserve important habitat for bear, moose, bobcat, otter, bald eagles, great blue herons, and other wildlife species that thrive in roadless and undeveloped land.

Mr. Speaker, like others in this Chamber, this bill has a special meaning for me because as I just mentioned, I was fortunate to be able to spend a portion of my youth in the Upper Peninsula. Many of my summers were spent at our family's home on an island in Lake Huron near Hessel, MI, just a short distance from the proposed Les Cheneaux Wilderness. I also know Round Island and have gone by the Horseshoe Bay area many times. It is therefore especially gratifying to me that this bill will preserve the two small islands and a magnificent stretch of the Lake Huron shoreline. I am also familiar with the types of Upper Peninsula terrain that are contained in many of the other wilderness proposals of H.R. 148, and am delighted that we still have an opportunity to protect some virgin stands of timber and representative landforms.

□ 1325

Again, when I was a boy, there were magnificent virgin stands of hemlock so large that they gave the impression that one usually only associates now with the redwood forests in California, and they are all gone, having fallen beneath the logger's ax, except for the very small fragments that would be preserved by this legislation.

Such preservation is especially appropriate at a time when the Michigan Forest Products Industry Development Council, which by the way supports this legislation, is engaging in efforts to revive the timber industry in the Upper Peninsula and increase logging activities. The industry's planned expansion will bring needed jobs to the area and assist in revitalizing the local economy, but, if logging is to increase, it is also important to set aside representative areas for protection in their natural state.

Finally, in discussing this legislation, I think it is important to dispel some of the myths about wilderness which have been circulated in the Upper Peninsula and which may have generated unwarranted opposition to H.R. 148.

For example:

Wilderness will not result in any private land being confiscated or condemned by the Federal Government. To begin with, most of the lands in H.R. 148 are already owned by the Forest Service and the Wilderness Act specifically prohibits condemnation. The rights of any private inholders are further protected pursuant to section 1323 of Public Law 96-487 and by the Wilderness Act.

Hunting, fishing and trapping are not prohibited in wilderness. Indeed, the protection of habitat for game species is one of the prime reasons why we designate wilderness areas, and both section 7 of H.R. 148 and our committee report so note.

Wilderness designation will not lead to the creation of protective buffer zones around wilderness areas, and section 6 of H.R. 148 specifically underscores that point. Nonwilderness activities can occur right up to the boundaries of the wilderness, and, indeed, many of the wilderness boundaries of the areas designated by the bill are formed by roads, powerlines or other nonwilderness features.

The wilderness proposals of H.R. 148 will not significantly impact the timber supply in the Upper Peninsula. The 11 areas contained in the bill represent less than 3 percent of the commercial forest land base in the Ottawa and Hiawatha National Forests and less than one-half of 1 percent of the total commercial forestland. In fact, the Michigan Forest Products Industry Council has endorsed the bill.

Wilderness will not impose stricter air quality standards. The national forest lands and most other lands in Michigan are currently designated class II for purposes of the Clean Air Act and will remain class II after wilderness designation unless the State of Michigan upgrades them. I should note that no State has ever upgraded an area from class II to class I.

In summary, Mr. Speaker, I believe H.R. 148 is highly meritorious legisla-

tion, which deserves our unqualified support. I would like particularly to commend our colleague, DALE KILDEE for the excellent job he has done in putting this legislation together and for refining it to meet some of the concerns which surfaced at our hearings. Michigan wilderness legislation has been pending in the House since 1980, and I am happy that we are finally moving it forward. I urge my colleagues to join me in supporting the bill.

Mr. Speaker, before I conclude, I want to say one other thing. Tomorrow is the last day for a very fine member of the staff of the House Interior Committee, and a member of the staff of my subcommittee, Andy Wiessner, who is moving to Colorado with his family.

He has had an absolutely unequaled record as a staff member in working on wilderness legislation, not to mention many other important pieces of legislation such as grazing legislation, and the Federal Land Policy and Management Act in the 1970's. I regret very, very deeply that he is leaving our subcommittee as do, I am sure, all the other members of the staff. He has been invaluable to me. His knowledge is encyclopedic; his legal mind is sharp, and he is an indefatigable worker, and I just thought the record ought to so indicate.

Mr. Speaker, I reserve the balance of my time.

Mrs. VUCANOVICH. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. DAVIS] whose district contains 10 of the 11 areas in the bill.

Mr. DAVIS. I thank the gentlewoman for yielding me this time.

Mr. Speaker, I rise in opposition to H.R. 148, the Michigan Wilderness Heritage Act. As has been said, there are 92,000 acres that are being set aside as wilderness areas in this particular bill, of which approximately 89,000 acres are in my congressional district, the Upper Penninsula of Michigan.

Ten of the 11 tracts are in this area. We depend, in my congressional district, upon our natural resources for our very survival, whether we are talking about the forest products industry; the only iron ore mines in Michigan are in my district; the only copper mine, which is now closed, is in my district; tourism, which is very dependent upon natural resources. These things are so important to the economy of our area, that I must oppose this bill. For if we take away the 89,000 acres as possible multiple-use from those industries in my district, I do not think we have served the people of my district nor the people of the State or of the Nation well.

Some of the acres that are proposed in this particular legislation were not even part of the RARE II study. We have gone beyond some of those areas that have been designated, and they are incorporated in this particular bill. When you look at the area that I represent with an unemployment rate right now that is approximately 15 percent, and in many instances it runs much higher than that, and when you do depend on your natural resources, I think that it is important that we preserve these natural resources so that we can use them for economic development.

In my particular district, 42 percent of all the land is either owned by the Federal Government, the State government or local government. I understand that when you go out West there are States that have much more acreage that is under control of the Government, but in our particular area, we consider that 42 percent of the area is much too much. So I will urge my colleagues to oppose this bill. Again, I do not think it is in the best interest of the constitutents that I represent, and I guess I would have to say that beyond this particular bill, the 92,000 acres, I am very concerned about possibly the next go around. I recognize that 92,000 acres in the total context of the acreage that I represent is not a large amount. but I want to serve notice on the Congress that we must be very, very careful should there be any further attempt to designate any more acres in the area that I represent.

I recognize that this bill will probably pass the House handily, as most wilderness bills have, but I must continue to oppose it because the economy of our area is such that we do not want to lose any of these areas to wilderness areas.

I would now like to engage the chairman of the subcommittee, Mr. SEIBERLING, in a colloquy on one particular issue.

Mr. Speaker, is it the understanding of the gentleman from Michigan that you have language in the bill now that takes care of a particular problem of a constituent of mine, a Mr. Macke, who did have access to and a hunting camp on private property that was sold to the Forest Service, and subsequent to that the Forest Service has taken away that right for him to use this camp and that this particular language now will allow him to be able to use that? Is that correct, Mr. Chairman?

I yield to the gentleman for his response.

Mr. SEIBERLING. Yes, the committee has excluded the land in question from the Rock River Canyon Wilderness, and we have asked the Forest Service to issue Mr. Macke a special use permit so that he can continue to use his hunting camp, and that is set forth in the committee report as being the intent of the committee.

Mr. DAVIS. I would further ask of the gentleman from Michigan will the committee or committee staff follow up with the Forest Service to see that the committee's intentions in the language are followed up?

I yield to the gentleman for his response.

Mr. SEIBERLING. We will certainly do everything we can to see that that is the case. I would like to say one more thing. First of all, I want to say that I commend the gentleman for his assiduousness in devoting his efforts to the needs of his constituents as he used them, and it was in response to that that we did have the committee go up there and have a field inspection and listen to some of the local people give us their thoughts.

□ 1335

I would also say that we have no thought or plans for another round of wilderness designations in the State of Michigan, and as far as I know, nobody else does. I just want to give the gentleman that assurance.

Mr. DAVIS. I appreciate that, and I only hope that future Congresses will feel the same way.

Mr. SEIBERLING. Mr. Speaker, I yield such time as he may consume to the gentleman from Michigan [Mr. KILDEE].

Let me say, Mr. Speaker, that I want to again commend him for the outstanding role he has had in putting together this legislation.

Mr. KILDEE. I thank the gentleman for yielding this time to me.

Mr. Speaker, I am pleased to be the sponsor of H.R. 148, the Michigan Wilderness Heritage Act of 1985.

H.R. 148 designates as national forest wilderness some 92,000 acres, about 3.3 percent of Michigan's three national forests.

Michigan has more Forest Service land than any other State east of the Mississipi, but currently has no national forest wilderness.

The 11 areas to be designated wilderness include unique examples of Michigan's varied flora, fauna, and geography.

Some of the last remaining stands of virgin forest in Michigan and the many rare and threatened plant species found in these areas provide habitat for bald eagles, moose, black bear, white-tailed deer, sandhill cranes, great blue herons, and many other varieties of wildlife,

The areas contain river canyons hundreds of feet deep filled with wild rivers, waterfalls and wetlands; Lakeshore sand dunes and beaches; winter ice caves of magnificent beauty and chains of granite-rimmed lakes.

I, too, have enjoyed the beauty of the Upper Peninsula, and I, too, with the gentleman from Michigan [Mr. DAVIS] want to make sure that we have a balance in this bill.

From the very beginning we tried to strike a balance with this legislation between the development and the reservation of Michigan's majestic forests.

Proof that we have achieved that balance is the endorsement of H.R. 148 by a bipartisan group of 12 of Michigan's congressional representatives, and by

Michigan Gov. James Blanchard, a former Member of this body, by

The Sierra Club and Wilderness Society

And the Michigan forest products industry development council.

The Forest Products Council, composed of representatives of the major timber-producing and using companies in Michigan, advises Governor Blanchard in his drive to expand Michigan's timber industry.

The council's 14 to 1 vote to endorse H.R. 148 demonstrates an understanding by the timber industry that the designation of these small wilderness areas will not adversely affect the continued growth of the timber industry in Michigan.

The 92,000 acres in H.R. 148 comprise less than two-tenths of 1 percent of Michigan's commercial timber land.

Public hearings on the Michigan Wilderness Heritage Act were held by the Subcommittee on Public Lands both here in Washington and in Michigan's Upper Peninsula, where the majority of the land to be designated wilderness is located.

I want to reiterate that while the gentleman from Michigan [Mr. DAVIS] and I do disagree on this bill, it was through his efforts that we did take the subcommittee to the Upper Peninsula to hear the considerations of those people, and we did find that there were certain concerns that we could be more sensitive to, and the bill addresses those concerns.

In addition to the strong support for the bill expressed by the majority of witnesses, several witnesses raised concerns regarding the establishment of buffer zones around the proposed wilderness areas.

Some worried about the continued access of hunters, fishermen, and other sportsmen to the areas.

Others questioned the ability of owners of valid existing rights, such as oil and gas leases, to exercise those rights inside the wilderness areas.

We added several amendments during the subcommittee markup to address the concerns raised at the public hearings.

Section 6 of the bill precludes the establishment of buffer zones around the proposed wilderness areas.

Section 7 makes reference to the pertinent section of the Wilderness Act of 1964 which retains the jurisdiction of the Michigan Department of Natural Resources over the wildlife management of these areas assuring sportsmen continued access to hunt, fish, trap, hike, and enjoy other outdoor activities in the wilderness.

I would like to express my deep appreciation to my good friend and colleague from Michigan, GUY VANDER JAGT, for his close cooperation in addressing the concerns of some of his constitutents who are owners of the subsurface rights underlying the Nordhouse Dunes area in his district.

Working with Mr. VANDER JAGT, in addition to language in the bill, the Interior Committee staff drafted an excellent committee report which provides the Forest Service with some broad direction in how it can undertake the delicate balance of protecting the wilderness values of the Nordhouse Dunes while allowing the subsurface owners reasonable access to exercise their right to develop the oil and gas deposits, should it prove economically viable.

The Forest Products Council endorsed H.R. 148 with the condition that standard release language be added to the bill.

Such language will release for future timber harvest some 22,000 acres currently in wilderness study areas.

Section 5 of H.R. 148 contains the standard release language requested by the Michigan timber industry.

Mr. Speaker, we have no intention of doing anything to these areas. We want to keep them just the way they are now—much as they were when they came from the hand of God.

Unlike many other pieces of legislation that we consider, H.R. 148 will not have any visible human effect.

But it will have an invaluable effect of preserving these last vestiges of wilderness in Michigan for the benefit and enjoyment of future generations.

Mr. Speaker, I feel happy to have worked with all the people involved in this bill, even those who were opposed to it, because in every instance they were honorable in addressing their concerns on this bill. I personally believe that we have a very well-balanced bill.

Mr. SEIBERLING. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mrs. VUCANOVICH. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Michigan [Mr. PURSELL].

Mr. PURSELL. I thank the gentlewoman for yielding this time to me.

Mr. Speaker, I want first personally to congratulate the chairman of the committee, who has provided many years of outstanding work toward the preservation of our lands and the concerns of balance between the environment and industry, and I have been very honored to have supported his legislation over the years, and to the gentleman from Michigan [Mr. KILDEE], the sponsor, who is a former State senator. We served together with Mr. DAVIS, and the Congressman following me, Mr. HENRY. We are all four former State senators here today who helped lead a movement on the environmental concerns and quality of Michigan on water and clean air and clean water. I sponsored a resource recovery act myself in Michigan, and led in some work in cleaning up some lakes.

Mr. Speaker, I rise in support of H.R. 148, the Michigan Wilderness Heritage Act of 1985.

This is an important piece of legislation for Michigan, especially as there is not a single acre of Michigan's vast national forest tracts which is part of the National Wilderness Preservation System, a system that gives the necessary strong protection to wilderness areas. Areas in the bill which now are outside the National Forest System are overused.

We are not talking here about a lot of land. It's under one-third of 1 percent of Michigan's total land base. It's less than 1 percent of the Michigan Upper Peninsula's land base, where the great majority of the proposed wilderness areas are located. The land proposed for wilderness designation in the bill is just under 3 percent of the State's national forest land. It's just one-fifth of 1 percent of all of Michigan's commercial forest land.

Michigan's economy clearly will benefit from the designation of additional wilderness areas through enhanced tourist business.

I also would like to point out that, as much as possible, private property within the proposed areas has been excluded.

The Michigan wilderness bill would establish a wilderness component of a land use program that is a balance of environmental protection and sensible development. Many people enjoy Michigan's natural resources through autos, snowmobiles, powerboats, and other vehicles, and extensive efforts are made to assure such opportunities. But there also should be areas where the canoe, showshoe, and hiking boot prevail as the primary means of travel, thus safeguarding significant natural areas and wildlife habitats.

Mr. Speaker, I have long been a proponent of sound environmental policy throughout my public career. While a member of the Michigan Senate, I authored the State's resource recovery act and led a cleanup of Michigan's dying recreational lakes. In that same vein, I would like to urge my colleagues to support the Michigan wilderness bill.

The Roman lawyer and satirist, Juvenal, once said: "Nature and wisdom always say the same." Mr. Speaker, I consider approval of the Michigan wilderness bill a wise investment in our future.

□ 1345

Mrs. VUCANOVICH. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Michigan [Mr. HENRY].

Mr. HENRY. Mr. Speaker, I, too, would like to express special thanks and commendations to my colleague, the gentleman from Michigan [Mr. KILDEE], who for years has sought to reach this point on this very critical measure. I think, as can be determined from the various comments we have heard, there is great and broad and deep support for this measure in our delegation, and I think the gentleman deserves a special commendation for the years of effort he has given to bring us to this point.

I would also like to express appreciation to the chairman of the subcommittee, who made a special effort to ensure that the subcommittee went to the areas affected and went to extra great lengths to ensure that the peculiar concerns of the people most directly affected, as opposed to those who perhaps might be less directly affected, were given equal attention.

Mr. Speaker, I rise in support of H.R. 148, the Michigan wilderness bill. One of the great blessings which we who live in Michigan enjoy, and encourage our friends from other States to come and enjoy, is the abundance and beauty of our natural resources—our beautiful lakeshores, precious wetlands, and awesome forests. It is of critical importance that as we move to improve our State's economic diversity by developing our forestry and mineral industries, that a portion of these lands remain preserved and undeveloped.

H.R. 148 strikes an appropriate balance of the variety of demands on our State's national forest lands:

The bill involves about 3 percent of Michigan's total national forest lands; planned use of the remaining 97 percent can and should go forward in a way that balances the competing uses of the resources of our national forest lands.

The particular concerns about the management of wildlife and the potential of closing these lands to Michigan's many hunters, trappers, and fishers are addressed by reemphasizing provisions of the Wilderness Act that leave wildlife management in the hands of the Michigan Department of Natural Resources.

Undoubtedly, the most difficult issue surrounding this bill involves the rights of the mineral owners in the Nordhouse Dunes area. Those rights—and the right to exercise them—have been specifically protected in the bill. The language of the report addresses specific recommendations to the Forest Service as to how this should be done.

Finally, concerns have been raised by the Forest Service and others about the necessary maintenance of an earthen dam in the Delirium Wilderness area. The dam provides sufficient water levels in Sylvester Pond to protect the habitat rich with wildlife. Language has been included in the report, specifically directed at the Forest Service, to permit necessary maintenance of the dam, including use of mechanized equipment.

Each of these provisions has been carefully crafted. Obviously, they must be as carefully followed in the implementation. But the bill represents a fine balance of difficult and important interests, and a tremendously worthwhile endeavor to protect and preserve our State's natural heritage.

Mr. Speaker, I join my colleagues from Michigan in urging adoption of H.R. 148, the Michigan wilderness bill.

Mrs. VUCANOVICH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I am opposed to H.R. 148, the Michigan wilderness bill. The bill exceeds the Forest Service's RARE II recommendations by more than 40 percent and exceeds the more recent recommendations being made as a result of the very comprehensive forest management planning process.

The Member in whose district 10 of the 11 areas are located is also opposed to the excessive acreage in the bill. As one who is also attempting to work out a statewide wilderness bill, I am opposed to any process which does not fully consider the views of the Member elected to represent the area.

I am also greatly concerned over the way in which the bill addresses the privately owned mineral rights underlying the Nordhouse Dunes area. While I am aware of the language added to the bill expressly recognizing "valid existing rights," this is an area of law which is not yet fully tested or defined. My State of Nevada is blanketed with similar mining and mineral interests which may or may not be compatible with true wilderness protection and I am concerned over the way we are addressing these areas.

It will be argued that the Nordhouse Dunes is a very small area, particularly by our Western standards. It is only 3,000 acres but I believe it is no less important to the overall question of what is a valid existing right, and what must the owners do to develop their claims or mineral interests.

There are over 1,900 acres of privately owned reserved mineral rights underlying the area, in addition to 675 acres of State-owned mineral rights—over 86 percent of the area. Oil and gas deposits have been found near the area, and recent seismic surveys indicate a good possibility of such underlying deposits. The owners of these minerals have testified in our committee that they wish to exercise their rights to develop the oil and gas potential of the area—an action which is not compatible with wilderness particularly due to the area's very small size and the extent of the private ownership.

Our committee has made a modest attempt at guaranteeing their rights to extract the oil and gas by including an amendment making the area subject to "valid existing rights" and the right to "reasonable access to exercise those rights."

I believe it is important to note for the record that the committee report also addresses this issue starting on page 4 and explains the quandary we have placed the Forest Service and the mineral owners in.

The report reads;

What rights may constitute "valid existing rights" is a question of law which the Committee does not attempt to define. The extent of the nonfederally-owned mineral rights are determined in part by the terms of the deeds by which the owners acquired the rights, and by federal, state and local laws and regulations. By protecting valid existing rights, the Committee makes no express or implied determination regarding the nature or extent of the title to such rights.

The report refers directly to the amendment in section 2(a) of the bill and outlines some recommendations on what steps the Forest Service might follow. It is important to emphasize that these are only recommendations which do not blind the Forest Service or impose any additional constraints on the owners of the mineral rights. In fact, I believe the designation of the area as wilderness should not change the process the owners should go through or make it any more or less difficult for them to drill in the area, As I understand it, the terms of their original deeds are the prevailing requirements.

With these unanswered questions, one might ask why the committee designated the area as wilderness in the first place? The issue was raised in committee and many of us opposed the designation. It was also pointed out that the ultimate solution may be to purchase the mineral rights—the cost of which could be considerable.

I personally believe the best solution would have been not to designate the area. There are many other management alternatives which the Forest Service could use to protect the beauty of the area without so directly infringing on the rights of the mineral owners.

I urge my colleagues to oppose the bill for all the reasons I have stated. There is no great urgency to pass the legislation and more time should be spent drafting a more acceptable bill.

Mr. BONIOR of Michigan. Mr. Speaker, it is my pleasure to rise before the House today in support of H.R. 148, the Michigan wilderness bill. I would first like to commend the leadership of my colleague DALE

KILDEE for his diligence in delivering congressional action on the wilderness bill.

This bill is consistent with past congressional actions for preserving wilderness areas from certain development activities. The Wilderness Act of 1964, and the Forest Management Act of 1976, initiated systems by which forest lands would be reviewed and their usage designated.

During the process of land designation outlined by these two acts, controversy ensued over the management of lands not specifically designated as wilderness. These lands were considered ripe for harvest by the timber industry, but vital to the maintenance of local econsystems and wildlife habitats by environmentalists.

After 7 years of stalemate, Members of the 98th Congress drafted release language which outlined for the Forest Service how it was to manage remaining defacto wilderness lands. As a result of this release language, new State wilderness bills began to be passed. The passage of the Michigan wilderness bill is a continuation of a process Congress first started in 1964, and refined in the early 1980's. This bill would allow Michigan to join the ranks of 21 other States that have already asked Congress to set aside land in their States as wilderness.

H.R. 148 includes approximately 90,000 acres of national forest land in Michigan. This represents 3 percent of the 2.7 million acres of national forest land in the State, and a very small fraction of the Michigan Department of Natural Resources' estimate of 17.5 million acres of forested land in the State.

While this may be a small percentage of Michigan's vast land resources, it includes some of the State's finest remaining wildlands. Sylvania, a popular vacation spot for urban recreationalists from Milwaukee and Chicago, is teaming with eagles and waterfowl, otters, and within it stands Michigan's largest red pine.

The McCormick tract, a recent addition to the National Forest System, warrants the specific protection of H.R. 148 as this area contains one of the few remaining stands of virgin Hemlock and white pine in the State. It is also the site of ongoing integrative forest studies research by many of the State's acclaimed ecologists.

The Nordhouse Dunes are set aside under this bill for the protection of threatened plant species, as are the breathtaking precipices bordering Sturgeon River Gorge.

This bill has gained the support of both environmentalists and forest industrialists. I think this is important because although wilderness designations prohibit road construction, off-road vehicles, and logging, the wilderness designation is still a multiuse philosophy which restricts as little as possible, while maintaining a primary goal to preserve a unique ecosystem intact.

Critics of this legislation say these lands do not warrant special protection. But, it was Congress itself which first acted to guarantee preservation of these national treasures of nature. The unique areas included in this bill will add to the already diverse ecosystems contained in the national wilderness system.

One should not think these lands are locked up, however. Hunting, fishing, trapping, backpacking, and other nonmotorized recreational activities are allowed. U.S. Forest Service fire control, insect and disease control and medical evacuations; mineral and oil and gas exploration will be allowed to companies with subsurface rights, if they agree to proceed in a manner compatible with the preservation of the wilderness areas.

This bill does not seek to lock up these lands. Rather, it aims to ensure their availability for generations to come.

Wilderness is a part of our heritage. Our forefathers plunged into the depths of the wilderness at Jamestown. They tamed it to give them sustenance in their quest to establish a new home on this wild continent. We must preserve wilderness areas so that we can be reminded of the challenges that were overcome by our predecessors to make our country great. As Thoreau said, "In wilderness is the preservation of the world." So it is that we should find in the wilderness the preservation of our heritage.

Man, being of nature, needs to go back to nature from time to time to be reminded of the simplicity and beauty from which he arose. We must recognize that our roots as a species lie in wilderness lands. H.R. 184 seeks to preserve those roots which nourish us, for without them, we cannot survive.

Mr. FORD of Michigan. Mr. Speaker, I rise in support of H.R. 148, the Michigan Wilderness Heritage Act of 1985. I am a cosponsor of this important legislation which designates as national forest wilderness some 92,000 acres. Although Michigan has more Forest Service land than any other State east of the Mississippi, it has no national forest wilderness.

There are 11 areas to be designated as wilderness under H.R. 148. These areas provide habitat for some of the last remaining stands of virgin forests in Michigan. Many rare and threatened plant species found in these areas provide habitat for bald eagles, moose, black bear, white-tailed deer, sandhill cranes, Great Blue herons, and many other varieties of wildlife. The areas also contain river canyons hundreds of feet deep, wild rivers, waterfalls and wetlands, lakeshore sand dunes and beaches, winter ice caves, and chains of granite-rimmed lakes.

Mr. Speaker, I feel that H.R. 148 presents a balance between the development and conservation of Michigan's forest. This is demonstrated by the endorsement of this measure by a bipartisan group of 12 Michigan representatives. In addition, this important legislation has been endorsed by Michigan Governor James Blanchard, the Sierra Club and Wilderness Society, and the Michigan Forest Products Industry Development Council.

Earlier this year the Interior Committee held hearings on H.R. 148 in Washington and Michigan's Upper Peninsula. Following the hearings the committee added amendments to the bill which reiterate sportsmen's right to hunt, fish, and trap in the proposed areas, preclude the establishment of buffer zones around the areas, and emphasize the ability of owners of valid existing rights, such as oil and gas leases, to exercise those rights. Language was also added to the bill for the release of 22,000 acres for future timber harvest which are currently in wilderness study areas that will not be designated as wilderness by this legislation. The boundaries of the proposed wilderness areas have been carefully drawn to exclude private property wherever possible while improving the Forest Service's ability to protect the fragile and varied ecosystems found in these areas.

I urge my colleagues to support passage of H.R. 148, the Michigan Wilderness Heritage Act of 1985. I enjoy the beauty the State of Michigan offers and hope it can be preserved for future generations.

Mrs. VUCANOVICH. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio [Mr. SEIBERLING] that the House suspend the rules and pass the bill, H.R. 148, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SEIBERLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

PERMISSION FOR CERTAIN SUBCOMMITTEES OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT DURING THE 5-MINUTE RULE ON WEDNESDAY NEXT AND THURSDAY NEXT

Mr. YOUNG of Missouri. Mr. Speaker, I ask unanimous consent that the following subcommittees of the Committee on Public Works and Transportation be permitted to sit during the 5-minute rule of the House.

The Subcommittee on Public Buildings and Grounds on Wednesday, September 18, 1985; and

The Subcommittee on Aviation on Thursday, September 19, 1985.

Mr. Speaker, this request has been cleared with the minority.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Missouri?

There was no objection.

FEDERAL TRADE COMMISSION AUTHORIZATION ACT OF 1985

Mr. FLORIO. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2385) to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such act, and for other purposes, as amended.

The Clerk read as follows:

H.R. 2385

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND REFERENCE TO ACT.

(a) SHORT TITLE.—This Act may be cited as the "Federal Trade Commission Authorization Act of 1985".

(b) REFERENCE.—Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be a reference to a section or other provision of the Federal Trade Commission Act.

SEC. 2. UNFAIR ACTS OR PRACTICES.

Section 5(a)(1) (15 U.S.C. 45(a)(1)) is amended (1) by inserting "(A)" after "(1)", and (2) by adding at the end thereof the following:

"(B) An act or practice in or affecting commerce shall be considered to be an unfair act or practice under subparagraph (A) if—

"(i) such act or practice causes or is likely to cause substantial injury to consumers; and

"(ii) such substantial injury (I) is not reasonably avoidable by consumers; and (II) is not outweighed by countervailing benefits to consumers or to competition which result from such act or practice.

Any determination under the preceding sentence regarding whether an act or practice is an unfair act or practice shall take into account, in addition to other relevant factors, whether such act or private violates any public policy as established by Federal or State statutes, common law, practices in business or industry, or otherwise. This subparagraph shall not have any force or effect, and shall not be taken into account, in connection with the enforcement of any State law which prevents persons, partnerships, or corporations subject to the jurisdiction of the State from engaging in unfair acts or practices.".

SEC. 3. REVIEW OF CERTAIN CEASE AND DESIST ORDERS.

Section 5(m)(2) (15 U.S.C. 45(m)(2)) is amended by adding at the end thereof the following new sentence: "The court in such action against such defendant also shall review, if requested by any party to the action, the determination of law made by the Commission in the proceeding under subsection (b) that the act or practice of the respondent which was the subject of such proceeding constituted a violation of subsection (a).".

SEC.4. PREVALENCE OF UNFAIR OR DECEPTIVE ACTS OR PRACTICES OR FALSE ADVERTISEMENTS.

Section 18(a) (15 U.S.C. 57a(a)) is amended by adding at the end thereof the following new paragraph:

"(3) The Commission may issue a notice of proposed rulemaking with respect to any unfair or deceptive act or practice or any false advertisement (as defined in section 15(a)(1)) only if—

"(A) the Commission has issued two or more cease and desist orders regarding such unfair or deceptive act or practice or such false advertisement; or

"(B) any other information available to the Commission provides the Commission with reason to believe that a pattern of such unfair or deceptive acts or practices or such false advertisements exists.".

SEC. 5. CIVIL INVESTIGATIVE DEMANDS.

Section 20 (15 U.S.C. 57b-1) is amended—

(1) in subsection (a)(2), by striking out "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by this Act or any other Federal law administered by the Commission";

(2) in subsection (a)(3), by striking out "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "any act or practice or method of competition declared unlawful by this Act or any other Federal law administered by the Commission";

(3) in subsection (a)(7), by striking out "unfair or deceptive act or practice in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "act or practice or method of competition declared unlawful by this Act or any other Federal law administered by the Commission";

(4) in subsection (b), by striking out "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "any act or practice or method of competition declared unlawful by this Act or any other Federal law administered by the Commission"; and

(5) in subsection (c)(1), by striking out "unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5(a)(1))" and inserting in lieu thereof "any act or practice or method of competition declared unlawful by this Act or any other Federal law administered by the Commission".

SEC. 6. RESTRICTION OF COMMISSION AUTHORITY RELATING TO AGRICULTURAL COOPERATIVES.

The Federal Trade Commission Act is amended by redesignating sections 24 and 25 as sections 26 and 27, respectively, and by inserting after section 23 the following new section:

"SEC. 24. (a) The Commission shall not have any authority to conduct any study, investigation, or prosecution of any agricultural cooperative for any conduct which, because of the provisions of the Act entitled 'An Act to authorize association of producers of agricultural products', approved February 18, 1922 (7 U.S.C. 291 et seq., commonly known as the Capper-Volstead Act), is not a violation of any of the antitrust Acts or this Act.

"(b) The Commission shall not have any authority to conduct any study or investigation of any agricultural marketing orders.".

SEC. 7. AUTHORIZATION OF APPROPRIATIONS.

Section 26, as so redesignated in section 6, is amended to read as follows:

"SEC. 26. To carry out the functions, powers, and duties of the Commission there are authorized to be appropriated $63,900,000 for fiscal year 1986, $64,200,000 for fiscal year 1987, and $64,300,000 for fiscal year 1988.".

SEC. 8. DISAPPROVAL OF FTC RULES.

(a) AMENDMENT.—The Federal Trade Commission Act is amended by inserting after section 24, added by section 6, the following:

"SEC. 25. (a) The Commission, after promulgating a final rule, shall submit such final rule to the Congress for review in accordance with this section. Such final rule shall be delivered to each House of the Congress on the same day and to each House of Congress while it is in session.

"(b) Any final rule of the Commission shall become effective in accordance with its terms unless before the end of the period of 90 days of continuous session of Congress after the date such final rule is submitted to the Congress a joint resolution disapproving such final rule is enacted into law.

"(c)(1) If a final rule of the Commission is disapproved in accordance with this section, the Commission may promulgate another final rule which relates to the same acts or practices as the rule which was disapproved. Such other final rule—

"(A) shall be based upon—

"(i) the rulemaking record of the disapproved final rule; or

"(ii) such rulemaking record and any record established in supplemental rulemaking proceedings conducted by the Commission; and

"(B) may contain such changes as the Commission considers necessary or appropriate.

Supplemental rulemaking proceedings referred to in subparagraph (A)(ii) may be conducted in accordance with section 553 of title 5, United States Code, if the Commission determines that it is necessary to supplement the existing rulemaking record.

"(2) The Commission, after promulgating a final rule under this subsection, shall submit the final rule to Congress in accordance with subsection (a).

"(d) Congressional inaction on a joint resolution disapproving a final rule of the Commission shall not be construed—

"(1) as an expression of approval of such rule, or

"(2) as creating any presumption of validity with respect to such rule.

"(e)(1)(A) For purposes of subsection (b), continuity of session is broken only by an adjournment sine die at the end of the second regular session of a Congress.

"(B) The days on which either House of Congress is not in session because of an adjournment of more than five days to a day certain are excluded in the computation of the period specified in subsection (b).

"(2)(A) In any case in which a final rule of the Commission is prevented from becoming effective by an adjournment sine die at the end of the second regular session of the Congress before the expiration of the period specified in subsection (b), the Commission shall resubmit such rule at the beginning of the first regular session of the next Congress.

"(B) The period specified in subsection (b) shall begin on the date of a resubmission under subparagraph (A).

"(f) For purposes of this section:

"(1) The term 'joint resolution' means a joint resolution the matter after the resolving clause of which is as follows: 'That the final rule promulgated by the Federal Trade Commission dealing with the matter of , which final rule was submitted to Congress on is disapproved.', the first blank being filled with the subject of the rule and such further description as may be necessary to identify it, and the

second blank being filled with the date of submittal of the rule to the Congress.

"(2) The term 'rule' means any rule promulgated by the Commission pursuant to this Act other than a rule promulgated under section 19(a)(1)(A).".

(b) CONFORMING AMENDMENT.—Section 21 of the Federal Trade Commission Improvements Act of 1980 (15 U.S.C. 57A-1) is repealed.

SEC. 9. INTERVENTION BY COMMISSION IN CERTAIN PROCEEDINGS.

(a) GENERAL RULE.—The Federal Trade Commission shall not have any authority to use any funds which are authorized to be appropriated to carry out the Federal Trade Commisison Act (15 U.S.C. 41 et seq.) for fiscal year 1986, 1987, or 1988, for the purpose of submitting statements to, appearing before, or intervening in the proceedings of, any Federal or State agency unless the Commission advises the Committee on Commerce, Science, and Transportation of the Senate and the Committee on Energy and Commerce of the House of Representatives, at least sixty days before any such proposed action, or, if such advance notice is not practicable, as far in advance of such proposed action as is practicable.

(b) NOTICE.—The notice required in subsection (a) shall include the name of the agency involved, the date upon which the Federal Trade Commission will first appear, intervene, or submit comments, a concise statement regarding the nature and purpose of the proposed action of the Commission, and, in any case in which advance notice of sixty days is not practicable, a concise statement of the reasons such notice is not practicable.

SEC. 10. NATIVE AMERICAN ARTS AND CRAFTS.

The Federal Trade Commission shall investigate the marketing of imitation Native American arts, crafts, and jewelry. The Commission shall, upon the expiration of eighteen months after the date of the enactment of this Act, report to the Congress on the investigation made under the preceding sentence. The Commission shall develop and distribute a consumer information brochure designed to assist consumers in identifying imitation Native American arts, crafts, and jewelry. The brochure shall be completed and distribution begun not later than six months after the date of the enactment of this Act.

SEC. 11. LIFE CARE HOME STUDY.

(a) STUDY.—The Federal Trade Commission shall conduct a study of unfair and deceptive practices in the life care home industry, including practices engaged in by life care homes. Within 2 years of the date of the enactment of this section, the Commission shall report the findings and conclusions of the study to Congress. If the Commission finds a rulemaking is warranted under section 18 of the Federal Trade Commission Act, the Commission shall, promptly after completion of the study, initiate a trade regulation rule proceeding under such section 18 respecting unfair and deceptive acts or practices in the life care home industry. If the Commission determines a rulemaking is not warranted, the Commission shall include in the report to Congress the reasons for such determination.

(b) DEFINITIONS.—For purposes of subsection (a):

(1) The term "life care home" includes the facility or facilities occupied, or planned to be occupied, by residents or prospective residents where a provider undertakes to provide living accommodations and services pursuant to a life care contract.

(2) The term "life care contract" includes a contract between a resident and a provider to provide the resident, for the duration of such resident's life, living accommodations and related services in a life care home, including nursing care services, medical services, and other health-related services, which is conditioned upon the transfer of an entrance fee to the provider and which may be further conditioned upon the payment of periodic service fees.

SEC. 12. NURSING HOME STUDY.

(a) GENERAL RULE.—The Federal Trade Commission shall continue studying unfair and deceptive acts and practices in the nursing home industry, including practices engaged in by nursing homes. Within one year of the date of the enactment of this section, the Commission shall report to the Congress the findings and conclusions of the study. If the Commission finds a rulemaking is warranted under section 18 of the Federal Trade Commission Act, the Commission shall, promptly after the completion of the study, initiate a trade regulation rule proceeding under such section 18 respecting unfair and deceptive acts or practices in the nursing home industry. If the Commission determines a rulemaking is not warranted, the Commission shall include in the report to Congress the reasons for such determination.

(b) DEFINITION.—For purposes of subsection (a), the term "nursing home" includes a residential facility that provides convalescent or chronic nursing care, or both, for persons unable to care for themselves.

SEC. 13. PREDATORY PRICING.

(a) The Federal Trade Commission shall submit to the Commission on Energy and Commerce of the House of Representatives and to the Committee on Commerce, Science, and Transportation of the Senate the information specified in subsection (b) of this section every 6 months during each of the fiscal years 1986 and 1987. A report containing such information shall be submitted when the Commission submits its annual report to the Congress during each of such fiscal years and such report may be included in the annual report. A separate report containing such information shall be submitted 6 months after the date of submission of any such annual report. Each such report shall contain such information for the period since the last submission under this section.

(b) Each report shall list and describe, with respect to instances in which predatory pricing practices have been suspected or alleged—

(1) each complaint made, orally or in writing, to the offices of the Commission;

(2) each preliminary investigation opened or closed at the Commission;

(3) each formal investigation opened or closed at the Commission;

(4) each recommendation for the issuance of a complaint forwarded by the staff to the Commission;

(5) each complaint issued by the Commission;

(6) each opinion and order entered by the Commission;

(7) each consent agreement accepted provisionally or finally by the Commission;

(8) each request for modification of an outstanding Commission order filed with the Commission;

(9) each recommendation by staff pertaining to a request for modification of an outstanding Commission order; and

(10) each disposition by the Commission of a request for modification of an outstanding Commission order.

Such report shall include copies of all consent agreements and complaints executed by the Commission referred to in the report. Where a matter has been closed or terminated, the report shall include a statement of the reasons for that disposition. The descriptions required under this subsection shall be as complete as possible. The report shall include any evaluation given to the potential impacts of predatory pricing upon businesses (including small businesses). The report shall not reveal the identity of persons or companies complained about or those subject to investigation that have not otherwise been made public.

SEC. 14. EFFECTIVE DATES, APPLICABILITY OF AMENDMENTS.

(a) GENERAL RULE.—Except as otherwise provided in this section, the provisions of this Act, and the amendments made by this Act, shall take effect on October 1, 1985.

(b) SECTION 2.—

(1) The amendments made in section 2 shall apply only to—

(A) cease and desist orders issued by the Federal Trade Commission under section 5 of the Federal Trade Commission Act (15 U.S.C. 45) on or after October 1, 1985; and

(B) rules for which advance notices of proposed rulemaking are published in the Federal Register by the Commission under section 18(b)(2)(A) of such Act (15 U.S.C. 57a(b)(2)(A)) on or after October 1, 1985.

(2) The amendments referred to in paragraph (1) shall not be construed to affect in any manner any cease and desist order issued on or after October 1, 1985, if such order is issued in accordance with a remand, from a court of appeals of the United States or the Supreme Court of the United States, of any cease and desist order issued by the Commission before such date.

(c) SECTION 4.—

(1) The amendment made in section 4 shall apply only to rules of the Federal Trade Commission for which advance notices of proposed rulemaking are published in the Federal Register by the Commission under section 18(b)(2)(A) of the Federal Trade Commission Act (15 U.S.C. 57a(b)(2)(A)) on or after October 1, 1985.

(2) In the case of any rule of the Commission which has not become final before October 1, 1985, but for which such advance notice has been published before such date, the Commission shall include with its submission of such rule to the Congress under section 25 of the Federal Trade Commission Act a statement describing the extent of the prevalence of occurrences of the unfair or deceptive act or practice, or the false advertisement, which is the subject of such rule.

(d) SECTION 8.—Section 25 of the Federal Trade Commission Act, as added by section (8), shall apply with respect to final rules of the Commission promulgated after October 1, 1985.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from New Jersey [Mr. FLORIO] will be recognized for 20 minutes and the gentleman from New York [Mr. LENT] will be recognized for 20 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. FLORIO].

51-059 O-86-34 (Pt. 17)

measures I am recommending today—directed at treating the symptoms by curing the causes of this trade crisis—will require a dedicated effort. But the rewards will be enormous: A future of jobs, industrial competitiveness, leadership, and prosperity.

This is the way America will recapture control of its own destiny and our own future.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 10 a.m., with statements therein limited to 5 minutes each.

VOLUNTARY REFUND POLICY FOR SPARE PART PURCHASES

Mr. GOLDWATER. Mr. President, earlier this year on the 20th of June, I made a floor statement commending the Boeing Co. for its announcement of an unprecedented spare parts refund policy for its dealing with the Pentagon. In that statement, I called on all members of the defense industry to join Boeing and make a similar commitment.

Today I am pleased to report that several major defense contractors have now agreed to a similar, voluntary refund policy for spare parts purchased by the Government. I would like to give public recognition to those companies and also recognize Dr. James P. Wade, the new Assistant Secretary of Defense for Acquisition and Logistics for his efforts in promoting this policy throughout the defense industry.

The Boeing policy, which was directly aimed at putting an end to the so-called spare parts horror stories, guarantees the Government a full refund of the purchase price of any spare part bought from Boeing for a price less than $100,000 which the Defense Department later determines to have been overpriced—subject to a reasonable time limitation. This is a "no questions asked" policy—if the Government says the price was too high, the money is refunded and that's the end of it. No arguments—just a complete refund.

Not long after Boeing announced their policy, other major contractors made similar commitments. General Electric, McDonnell Douglas, Grumman, Raytheon, General Dynamics, and Martin Marietta all voluntarily offered the Government similar refund policies.

The Defense Department, through the efforts of Dr. Wade, combined the best aspects of each of these unsolicited proposals into a single comprehensive refund policy which was then sent out to our top 30 defense contractors. As of today, I am advised that the following companies have signed up to this new policy: Martin Marietta, Raytheon, Sperry, Rockwell, Westinghouse, United Technologies, RCA, Boeing, Lockheed, GTE, Allied, and General Dynamics.

Mr. President, I wish to publicly commend each of these companies for making this voluntary commitment. In my opinion, this confirms what I have always believed about the vast majority of those who make up our defense industry—that they are honest, patriotic citizens doing their very best for their country. And they want to put an end to these horror stories just as quickly as you and I do.

I would also like to commend Dr. Wade for his personal efforts in promoting this very favorable agreement between industry and the Pentagon. Dr. Wade is the first person to hold the Office of Assistant Secretary of Defense for Acquisition and Logistics, and in my opinion, he is off to an excellent start. Having served very ably as the Assistant Secretary of Defense for Development and Support and the Principal Deputy Under Secretary of Defense for Research and Engineering, Dr. Wade brings a wealth of ability and experience to his new post. I congratulate him on his promotion and wish him every success in what is bound to be a very challenging and important position.

DEAN PHILLIPS

Mr. HATCH. Mr. President, although I did not have the opportunity to get to know Dean Phillips as well as I would have liked, I was fortunate to have worked with him on several legislative matters. Dean was a courageous individual, courageous in his military achievements, courageous in his leadership in difficult public policy issues, and courageous in his fight against the disease that recently took his life. It was my privilege to have known and worked with Dean Phillips, a genuine American hero and patriot. I ask unanimous consent to place in the RECORD an outstanding article that recently appeared in the Washington Post on Dean Phillips.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE BONDING OF WAR

On Monday morning the Army, which he had served so valiantly, buried Dean K. Phillips with the full panoply of military honors that was his due. This much-decorated citizen soldier and fellow Vietnam veteran was laid to rest in his uniform, the ribbons on his chest a solemn testament to the professionalism he had brought to his calling in the now distant rice paddies of an earlier and more troubled era. In the end the ravages of cancer were able to effect that which another formidable, though less insidious, enemy had been unable to accomplish almost 20 years previously. Throughout it all, Dean's courage served as a beacon to all of us who loved and admired him.

As his friends and family gathered at the grave site in a stand of pines beneath a slate gray August sky in Arlington National Cemetery to pay their last respects, I reflected on what his passing meant to me and on the special covenant that binds men who have experienced the horrors of war. I had been to see him one last time shortly before he died, not because we were particularly close, but because ours was a kinship forged in the bloody crucible of Vietnam, and because I felt an urgent need to honor him for what he had endured. He had by then become a shell of his former robust self, the cataclysmic virulence of the cancer having almost run its course, but his handshake remained firm and his thinking clear.

He had been to see "Rambo" several weeks earlier, which he disliked for a number of reasons, among them the facile way the picture treated death and the distortedly romantic gloss it placed on combat. Dean knew better, and we discussed the new patriotism and the so-called revisionist view of Vietnam at length. He had enlisted in the Army in the mid-'60s despite having been granted a student deferment to attend law school, and he had refused a commission out of a desire to serve in the ranks. Often at odds with the Army as an institution, he nevertheless passionately loved its soldiers, and his service in Vietnam earned him two Silver Stars, two Bronze Stars and a Purple Heart. He told me that he did not understand the cyclical view of patriotism, and he was realistic enough to know that no amount of revisionism could erase the obloquy returning veterans faced as they attempted to enter the mainstream of society in the late '60s and early '70s. He had devoted the remainder of his professional life to easing that transition by his tireless work as an attorney on issues affecting veterans.

I spent several hours with Dean that sultry summer afternoon, and I watched him mask his pain as he acted the good host and tended to the needs of his company. I could see also by his conversation and demeanor that he was putting his house in order and preparing himself for the final battle. As I readied myself to leave, he took my hand in both of his and told me that he hoped he had been able to do some good for mankind in the time he had been given. I do not know if his final words to me were a question or a declaration, but I was only able to squeeze his hands by way of affirmation in what I now regard as a woefully inadequate response.

Dean Phillips died at home with his family a month later, beaten but not bowed by an enemy whose onslaughts he was powerless ultimately to turn aside. He was 42 years old and left behind grieving parents, a loving wife and daughter, and a 2-year-old son who will develop at best only a vicarious insight into his father's enormous stature.

He is gone now, joined at last with his beloved brothers whose names appear on the Vietnam Memorial, most of whom died themselves in their teens and early twenties well before their time, like Dean, and I am as yet unable to derive any meaning or take any solace from his death. I know only that he touched my heart, and I am richer for having shared his life.

DAVID BRODY

Mr. HATCH. Mr. President, it has been one of my pleasures in Washing-

ton to have worked closely with many outstanding individuals of varying interests and perspectives. There is none, however, whom I admire more than Dave Brody, Washington Representative for the B'nai B'rith Anti-Defamation League. Dave is a consummate professional, the paragon of effective Washington lobbyist. He is honest and forthright and the sort of individual in whom a Member can rely for sound information and counsel regardless of their agreement or disagreement on any given issue. It was thus with great satisfaction that I recently read an outstanding thumbnail sketch about Dave in the September 14, 1985, issue of the National Journal. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the National Journal, Sept. 14, 1985]

MAKING MATCHES MEANS ACCESS

(By Dick Kirschten)

Most Washington lobbyists boast about having connections. David A. Brody takes pride in making them.

The veteran Washington representative of the B'nai B'rith Anti-Defamation League is an inveterate matchmaker who wends his way through the capital's power circles on the lookout for people who ought to know one another.

No sooner do his antennae pick up a nugget of conversational information about somebody's past or present interests than the next words out of his mouth are invariably, "I'd like to put you together with. . . ."

The very next day, if not later the same day, Brody will be on the telephone proposing a luncheon involving himself and the two people he wants to bring together. Invariably, they are people who would have gotten together on their own at some point but, as Brody said in an interview, he finds that it advances his long-term interests if he can be the "facilitator or catalytic force."

"I do it so that the two people will know each other, so they will not be strangers when they need to deal with one another. Both parties usually welcome it," he explained. Those involved may run the gamut from Members of Congress, White House aides and ambassadors to reporters, fund raisers and constituents.

Twenty years at his job has taught Brody that at some point, his gestures of good will are likely to be returned in some form. "It's not so much that people are beholden to me, as it's a matter of providing greater access for me," he said, stressing the golden word of the lobbyist's trade—access.

The autographed pictures on the wall of Brody's office attest to his success in gaining access at the very highest levels. They also attest to his skill at hearing what people say and sensing what makes them tick and what their current concerns are.

"In this town, so many people talk rather than listen," explained Brody, giving away a major secret of his success. It also helps to be quick-witted enough to put information to immediate use. "If I happen to be in a Member's office and a name comes up, we'll often set up a lunch right then."

Brody is constantly on the lookout for likely connections, two Members of Congress who haven't met each other yet, a reporter who is starting out on a project involving principals he hasn't met, new arrivals at the Israeli Embassy who need to meet the people they will be dealing with in Washington.

'It's just a matter of having almost an intuitive sense about people's needs," Brody said. "I guess it is just a matter of knowing how to relate to people. I will occasionally bring Members of Congress together whose views may be divergent. In bringing them together, they find that they are able to work together on other issues."

Those other issues, with luck, may turn out at some point to be the very ones upon which Brody is lobbying. And even if their votes do not always go his way, Brody at least gets a chance to have his say. In 1981, when Congress approved the sale of military aricraft to Saudi Arabia, Brody recalled, "a number of good friends of mine voted for the sale, but I still had the opportunity to sit down and talk to the principal—to the man who cast the vote."

That statement is also revealing. In lobbying, as in match-making, the permanence of relationships is important. Accordingly, significance attaches to Brody's reference to "good friends" who voted against his position. They still are his good friends, and maybe next time they will be with him.

Besides putting his lunch hour to regular use, Brody and his wife, Bea, entertain at their home, throwing dinner parties that may bring anywhere from a dozen to three dozen Washington notables together to trade information and get to know one another better.

"From time to time, press people are invited to my parties at home as friends," Brody explained. What goes on is not intended for publication, Brody noted, but it is recognized "a reporter may pick something up at a party." But, he added, "the story won't be that I had that group of people to dinner."

Brody added that he has never hesitated to bring politicans and journalists together in a social setting. "I don't draw any lines," he said. "When I find it useful to play that catalytic role, I do it." With reference to the politicians, he observed, "I think they welcome the opportunity too, otherwise they wouldn't agree to it."

To the best of his recollection, Brody over the years has never become a matchmaker in the romantic sense. He says that he knows of no marriages that have resulted between people he has brought together and quickly adds in a businesslike tone that "if it has happened that would not be the purpose that the meeting started out with."

There is more than a bit of a Horatio Alger aspect to Brody's career. The man who now wines, dines and facilitates friendships among the high and mighty started out in life as the son of an immigrant garment worker who entered this country through Ellis Island. He grew up in Brooklyn, attended public schools and ended up studying law at Columbia University on a scholarship. He came to Washington in 1940 to work as a lawyer for the government and has been with the Anti-Defamation League since 1949.

Brody said he has developed his skills as a lobbyist-social connecter as he has gone along. "I like to say that the things I do, I never learned in law school." Nonetheless, the 69-year-old lobbyist makes it clear that he enjoys what he does. "I have no plans to retire," he said.

The matchmaker is obviously well matched to his calling.

CONGRESSIONAL CALL TO CONSCIENCE

Mr. NICKLES. Mr. President, I would like to take a few minutes to address the continued harassment of the Soviet Jews by the Soviet Government. The congressional call to conscience has been going on for 9 years and it seems like a long time. However, this does not even begin to compare with the years of waiting that many of the Soviet Jews have endured in the hopes of one day being able to leave the Soviet Union and join relatives in another country.

I remember when Mikhail Gorbachev became the new leader in the Soviet Union. It was thought at that time that he would be more sympathetic to the rights of the Soviet Jews. If he is sympathetic, we have not seen evidence of it. The statistics show that based on the first half of 1985, there has not been much change in emigration levels from that of last year. As many of us remember, last year produced the lowest level of Jewish emigration since the movement began almost 20 years ago.

Because of the great role that Mikhail Gorbachev plays in the lives of the Soviet Jews, a letter was circulated by one of my colleagues. This letter, which I signed, was sent to President Reagan asking him to discuss the issue of human rights when he meets with Mr. Gorbachev in November. It is my sincere hope that the President will be able to heed this request and include this vital issue on the agenda for the upcoming talks.

Three months have elapsed since I spoke before this body regarding the Vainerman family. I am sad to report that during this time the Vainermans have waited without any further word regarding their request. Three months is a very long time to wait for something when you have already waited for 5 years.

It appears as though more and more attention is being focused on the human rights violations throughout the world. Although the news is disturbing, I am glad that it is being reported. It is important that we do not forget those individuals who are struggling for their rights, while we as Americans are freely enjoying ours. One of the rights that we do enjoy is being able to speak out against such abuses. It is not only a freedom, but I believe it is also a duty that should not be taken lightly. At this point, the most that we can do is continue to speak out, and to continue to educate others regarding the violations in other countries.

I would encourage my colleagues to continue to remember not only the Soviet Jews, but individuals all over the world who are struggling to survive in countries that do not grant them the freedoms they deserve. We

agricultural cooperatives and marketing orders. The bill also directs the Commission to undertake numerous studies and reports to Congress on enforcement efforts. While I question the need for some of these requests, especially where in the nursing home instance, the study has been independently initiated by the FTC and is already ongoing. They do signal congressional concern over potential illegal conduct and seek to encourage Commission involvement in these areas, within its current jurisdiction and subject to its enforcement discretion.

Finally, I would like to associate myself with the concern of the gentleman from North Carolina, the ranking Republican of the committee, with respect to legislative review and veto of Commission rules. Although a provision is included in the bill providing for review of FTC rules, the provision as currently written is not effective because it does not contain expedited procedures. These procedures are necessary in order for the Congress to successfully disapprove a rule, if the circumstances so dictate. In other words, this provision has no bite to its bark.

□ 1400

Mr. Speaker, I want to take just a moment to commend and thank the outgoing Federal Trade Commission Chairman, James Miller, for the leadership and direction he brought to the Commission. Under his stewardship the FTC has regained the trust and confidence of Congress. I wish him every success as Director of the Office of Management and Budget.

Mr. Speaker, while I am somewhat disappointed that a request to include expedited legislative review procedures in the bill was not favorably acted upon, I remain hopeful that something can be worked out in conference.

I urge passage of the bill.

Mr. LOTT. Mr. Speaker, will the gentleman yield?

Mr. LENT. I am happy to yield to the gentleman from Mississippi.

Mr. LOTT. Mr. Speaker, at the outset I want to commend the chairman and ranking Republican of the Energy and Commerce Committee on bringing us a noncontroversial and bipartisan FTC bill. It's long overdue. The FTC has been without an authorization since 1982 for a variety of reasons, including the professions and legislative veto issues.

Mr. Speaker, I also want to take this opportunity to commend the Chairman of the FTC, James Miller, on his outstanding stewardship at the Agency and his persistence in pushing for an authorization before he goes on to head the Office of Management and Budget. The administration is fortunate to have a person of his intelligence and abilities.

Having said all that, let me say that I regret this is coming to us under suspension instead of the open rule requested by the Chairman of the Energy and Commerce Committee. I think it's a little ironic that this bill fell victim to a one-member veto in the Rules Committee over the issue of whether there should be a congressional veto of FTC regulations. And it's even more ironic that this bill was held up not because its provisions were particularly objectionable, but because the other body had included some special rules provisions with its legislative veto.

Mr. Speaker, all this fuss might be justified if the other body were attempting to foist some new procedures on the House, but the fact is that this House has previously agreed to nearly identical expedited procedures when it enacted the 1980 FTC Act. The other body also has a provision in its bill permitting limitation amendments on appropriations bills to block regulations which both Houses may have previously disapproved. But that's something this House had been doing for its first 194 years before the Democratic caucus decided to restrict us in 1983.

Mr. Speaker, I would suggest that if the Rules Committee were really concerned about these expedited procedures that will give teeth to the legislative veto for FTC rules, then it would have granted a rule that made in order the amendment of the gentleman from North Carolina [Mr. BROYHILL]. He had a legislative veto amendment that had been fashioned in consultation with Rules Committee staff that should have been acceptable.

That's the way to deal with provisions in the other body's bill: Give the House a chance to work its will on this issue before we go to conference. But, I suspect there are those who fear what the result would be. Two years ago the Rules Committee attempted to delete the FTC legislative veto from the bill, and that amendment was overwhelmingly rejected by a voice vote. I hope our conferees will agree to some form of expedited procedures for these joint resolutions of disapproval so that the legislative veto will have real teeth and be a credible deterrent against arbitrary and capricious agency regulatory actions.

Mr. LENT. Mr. Speaker, I want to thank the gentleman for his contribution and say that I heartily agree with the sentiments the gentleman has expressed here this afternoon.

Mr. FLORIO. Mr. Speaker, I would just like to publicly express my appreciation to the gentleman from New York [Mr. LENT], the gentleman from North Carolina [Mr. BROYHILL] and the gentleman from Michigan [Mr. DINGELL] for their cooperation in putting together this consensus piece of legislation. It is long overdue and I hope it passes very quickly.

Mr. BROYHILL. Mr. Speaker, today the House will have the opportunity to consider legislation reauthorizing the Federal Trade Commission.

Since 1982, the Commission has functioned without an authorization, without congressional guidance and statutory direction. For almost 3 years those who are subject to the Commission's expansive jurisdiction to police "unfair or deceptive acts or practices" and "unfair methods of competition" have had to operate hampered by the uncertainty of the Commission's authority.

During this time, the Congress has struggled with numerous issues affecting the Commission's jurisdiction and ability to pursue certain activities. The debate over the proper role of the Commission to regulate the activities of professionals is a case in point.

Today, with the passage of this legislation, the Congress will be able to remove that "cloud" of uncertainty and will reaffirm and direct the Commission's authority and function in several areas. I have repeatedly urged this step and welcome it today.

The Federal Trade Commission Authorization Act of 1985, H.R. 2385, contains several provisions which help to delineate the rulemaking and adjudicative authority of the Commission.

Section 2, for example, would clarify the Commission's authority over "unfair acts or practices." This term is the basis of the Commission's consumer protection jurisdiction, and since its inclusion in law in 1938 with enactment of the Wheeler-Lea Act (52 Stat. 111) has never been defined.

Section 2 of the bill sets out several criteria the Commission must use in determining that a particular act or practice is "unfair." First, the FTC must find that the activity in question causes, or is likely to cause, substantial injury to consumers. Once injury is found, the FTC must assess whether it is outweighed by countervailing benefits to consumers and competition. A final determination must also be made that the injury is not reasonably avoidable by consumers.

This definition will lend predictability and certainty to the Commission's "unfairness" authority to the benefit of not only those who fall within the FTC's jurisdiction, but to consumers as well.

The bill also contains a provision which will help to delineate the rulemaking authority of the Commission. Section 4 would incorporate a requirement that a showing of "prevalence" be made before the FTC could embark on an industrywide rulemaking proceeding. Specifically, the Commission would be required to find that an activity to be regulated must be a prevalent one within the industry. Such a finding could be made if several cease-and-desist orders prohibiting the practice had been issued or sufficient information is available to the FTC to demonstrate that a pattern of such practice exists.

This provision will help to ensure that the Commission will regulate only in those areas where substantial abuse exists, not in instances where isolated or insignificant violations have occurred. In effect, the prevalence requirement will discourage the FTC from issuing rules where no demonstrated need to regulate exists.

Another rulemaking reform which I believe should be included in this bill is a legislative review procedure for FTC rules. Since the Supreme Court's decision in Immigration and Naturalization Service Versus Chadha held legislative veto unconstitutional, rules issued by the Commission have not been subject to legislative review and veto. Given the breadth of the Commission's jurisdiction to regulate, I believe it imperative that an effective and workable legislative review devise be incorporated in law.

While section 8 of the bill would provide for a 90-day congressional review and, when appropriate, disapproval of FTC rules through the passage of a joint resolution, the provision is a paper tiger. The mechanism set out in section 8 is ineffective because it has no expedited procedures to ensure that a rule will be considered in a timely manner. Without these procedures, it will be practically impossible for Congress to disapprove a rule.

Although a request was made to the Rules Committee to include expedited procedures in section 8, this request was not acted upon. I do hope that we can achieve a workable legislative review procedure in conference.

Despite the fact that this issue remains unresolved, I am pleased that the House will act on an authorization bill today.

I should mention that the bill before us contains no provision delineating the Commission's authority over professionals. A consensus has been reached on the proper role of the Commission in this area and specific statutory language appears unnecessary.

This consensus confirms the FTC's existing authority to protect consumers and competition from certain practices engaged in by professionals. This consensus also recognizes the proper role of the States in licensing and setting the appropriate functions or tasks of professionals.

The debate over this issue has been a lengthy and difficult one since strong competing issues are involved. I am pleased that it has been resolved in a way which will protect consumers against potentially harmful, anticompetitive restraints, which, if unchecked, could lead to higher prices, reduced choice in professional services, and restricted access to important information.

Mr. Speaker, in closing, I would like to commend FTC Chairman James Miller, for his dedication and unwavering commitment to the Commission's goal of protecting consumers and competition. His effort has directed the FTC along a sensible and astute path. His endless work and perseverance is appreciated and he will be certainly missed. We wish him well in his new endeavor as the Director of the Office of Management and Budget.

Thank you, Mr. Speaker.

Mr. LENT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. FLORIO. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey [Mr. FLORIO] that the House suspend the rules and pass the bill, H.R. 2385, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. FLORIO. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1078) to amend the Federal Trade Commission Act to provide authorization of appropriations, and for other purposes, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 1078

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Trade Commission Act Amendments of 1985".

UNFAIR METHODS OF COMPETITION

SEC. 2. Section 5 of the Federal Trade Commission Act (15 U.S.C. 45) is amended by adding at the end thereof the following:

"(n) The Commission shall not have any authority to find a method of competition to be an unfair method of competition under subsection (a)(1) if, in any action under the Sherman Act, such methods of competition would be held to constitute State action.".

AGRICULTURAL COOPERATIVES

SEC. 3. The Federal Trade Commission Act (15 U.S.C. 41 et seq.) is amended by redesignating section 24 and section 25 as section 26 and section 27, respectively, and by inserting after section 23 the following new section:

"SEC. 24. (a) For purposes of this section, the term 'Capper-Volstead Act' means the Act entitled 'An Act to authorize association of producers of agricultural products', approved February 18, 1922 (7 U.S.C. 291 et seq.).

"(b) The Commission shall not have any authority to conduct any study, investigation, or prosecution of any agricultural cooperative for any conduct which, because of the provisions of the Capper-Volstead Act, is not a violation of any of the antitrust Acts or this Act.

"(c)(1) Before issuing a complaint under section 5 against any agricultural cooperative on the basis that such cooperative has violated any of the antitrust Acts or has used an unfair method of competition in or affecting commerce, the Commission shall—

"(A) provide the Secretary of Agriculture with a copy of the proposed complaint not less than fifteen days before the complaint is issued; and

"(B) consult with the Secretrary of Agriculture regarding the possible applicability of the Capper-Volstead Act to the conduct of the cooperative.

"(2) The Commission shall not issue any such complaint unless—

"(A) it has considered any comments regarding such complaint which have been submitted by the Secretary of Agriculture under this subsection; and

"(B) it has reason to believe that the Capper-Volstead Act does not provide an exemption for the conduct which is the basis of such complaint.

"(3) If the Commission makes a modification to any such complaint after it has provided the Secretary of Agriculture with a copy of the complaint pursuant to (1)(A) of this subsection, the Commission shall not, with respect to such modification, be required to comply with the provisions of paragraphs (1) and (2) of this subsection unless such modification substantially expands the original basis for the issuance of the complaint.

"(4) The Secretary of Agriculture shall designate those officials and employees of the Department of Agriculture who may have access to documents or information received from the Commission under this subsection. Officials and employees of the Department of Agriculture shall be subject to the same requirements and penalties regarding confidentiality of such documents and information and disclosure of the existence of an investigation or consideration of a complaint as apply to officials and employees of the Commission.

"(5) Unless specifically authorized in writing by the Commission (or by any official or employee of the Commission designated by the Commission), no official or employee of the Department of Agriculture may request information relating to such complaint from any proposed respondent or any third party before the issuance of such complaint.

"(6) After any such complaint is issued, the Secretary of Agriculture may file with the Commission a written statement regarding the applicability of the Capper-Volstead Act to the action or method which is the basis of such complaint. The Commission shall include such statement in the record of the proceeding regarding such complaint.

"(7) No decision of the Commission to consult with the Secretary of Agriculture in accordance with the provisions of this subsection shall be construed to imply that the Commission has made a determination that it has reason to believe that any agricultural cooperative has violated or is violating any of the antitrust Acts or has used an unfair method of competition in or affecting commerce.

"(8) The provisions of this subsection shall not create any new basis for direct or collateral challenge to any complaint issued by the Commission.

"(d) The Commission shall not have any authority to conduct any study or investigation of any agricultural marketing orders.".

COMPENSATION IN PROCEEDINGS

SEC. 4. (a) Section 18(h) of the Federal Trade Commission Act (15 U.S.C. 57a(h)) is repealed, and subsections (i), (j), and (k) of section 18 are redesignated as subsections (h), (i), and (j), respectively.

(b) Section 18(a)(1) of the Federal Trade Commission Act (15 U.S.C. 57a(a)(1)) is amended by striking "subsection (i)" and inserting in lieu thereof "subsection (h)".

by making U.S. commodities relatively more expensive on world markets.

However, Boschwitz said recently that the interrelationship between cutting farm prices and reducing the deficit has not been well understood by others on the Agriculture Committee.

"Senators really aren't very entrepreneurial," said Boschwitz, who also suggested that his colleagues undervalue that ability of farmers to grasp the logic behind a market approach to agricultural policy. "I'm willing to take chances. I'm a gambler and I think most farmers are too. Give me an upside, I like that," he said.

Indeed, Boschwitz still draws lessons from the days when he founded his home improvement business, Plywood Minnesota. Struggling in the beginning, he recalls lowering his prices so much that he became an industry pariah.

That experience, he added, led him to an important realization: "When the price came down, there was a market for it."

William Lesher, an economist on the Agriculture Committee staff when Boschwitz arrived, remembered that Boschwitz was relatively ignorant about farming or agricultural policy issues then.

Said Lesher, who now is a consultant, "I think he has progressed remarkably well. He has worked harder than most to the point that now he has a better grasp of the issues than most on the committee. The way he did it was by asking questions."

Lesher also credited Boschwitz with "bringing a new dimension to the debate" by coauthoring with Sen. David Boren, D-Okla., a farm bill built around the addition of lowering U.S. farm prices while protecting farm income through transition payments, designed to phase out about the time exports would be expected to start booming.

For the time being, at least, Boschwitz has abandoned the transition payment idea, while continuing to insist on the dual principle of lowering farm prices and maintaining an interim income safety net.

Indeed, Boschwitz seems little fazed by occasional indications that others on the committee may have tired by now of his proselytizing.

During one contentious committee meeting, Sen. Edward Zorinsky of Nebraska, the panel's ranking Democrat, interrupted Boschwitz. "Let's vote," said Zorinsky.

Snapped Boschwitz, "I will continue, Senator. That's not for you to say, Let's vote.' "

THE RETIREMENT OF GEN. JOHN W. VESSEY, U.S.A., CHAIRMAN OF THE JOINT CHIEFS OF STAFF

Mr. DURENBERGER. Mr. President, on the 30th of this month, a great American, a great patriot, and a great soldier will retire from active service. In 46 years in the Army, Jack Vessey has seen it all. From World War II, through the cold war, through Korea and Vietnam to the age bounded by nuclear deterrence and low intensity conflict. He has kept his vigil through thousands of national crises and contributed his wisdom to thousands of critical decisions. Warrior—statesman—leader. He is a soldier's soldier—a general's general—and a Minnesotan's Minnesotan. His career is the epitome of the standard, duty, honor, country.

General Vessey will receive a shower of well-deserved accolades in the coming weeks. To those I wish but to add the simplest—yet most powerful praise of one soldier to another, "well done." Steve Berg's piece in the Minneapolis Star and Tribune is an excellent tribute to this great man and I ask unanimous consent that the column be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

[From the Minneapolis Star and Tribune, Aug. 25, 1985]

NATION'S TOP SOLDIER PREPARES FOR ASSAULT ON WALLEYES

(By Steve Berg)

WASHINGTON, DC.—On the last day of September, Gen. John W. Vessey Jr. will cease to be the nation's most powerful soldier, closer perhaps to the president than any of his predecessors and, thus, closer to the nuclear button than any U.S. general in history.

He will become, instead, Jack Vessey of Crow Wing County, Minn., fisher for walleyes.

"I'm looking forward to getting back up there," Vessey said during a rare interview in his Pentagon office last week. He confessed a special affection for his native state and reflected on his three years as chairman of the Joint Chiefs of Staff and his 46 years in the Army.

Among his sentiments are sadness and regret over the deaths two years ago of 241 Americans in the bombing of a marine barracks in Lebanon, and acknowledgment that sending troops to the Beirut airport may have been a mistake, that the chiefs "knew that in advance."

Vessey, 63, is retiring more than eight months early. He had wanted to depart last June to keep a promise to his wife, Avis, who long has hoped for a retreat from official Washington to a full-time retirement at their lakeside home.

But the TWA hostage crisis intervened. Now, by the time the bags are unpacked, the leaves will have begun to change and the winds will be chilly off Little Whitefish Lake. Still there will be fish to catch and grass to cut and a future to ponder.

Vessey leaves Washington with high marks, even from some of the Pentagon's stiffest critics. He's viewed with "very high respect," said Rep. Les Aspin, D-Wis., one of Congress' top military experts.

But Vessey also departs in near anonymity. Few outside the military's top circle know his name or know the tale of his remarkable rise from private to four stars and beyond.

Few realize that he began the rise to the military's highest office with a commission on a bloody Italian beach, not on the parade ground at West Point. Few recall that Vessey fibbed about his age to enlist at 16, and has been in the Army longer than anyone now serving. Or that he will be the last chairman to have fought in World War II.

Few know about the dark morning in South Vietnam when Vessey rallied a demoralized battalion, one that responded to his personal demonstration of bravery by repelling—at some points hand-to-hand—a massive surprise attack, killing 423 enemy soldiers.

"He's been dirty and bloody . . . and he's worked his way up," said Lt. Col. Tony Palermo, a Marine and former aide who finds it hard to disguise his loyalty. "There won't be anymore like him."

Vessey never has flaunted his storybook career. Rather, he has sought to hide it, to seek shelter from any hint of celebrity.

Despite his closeness to President Reagan, Vessey has resolutely avoided partisan politics. His speeches nearly always to friendly audiences, make few headlines. His testimony to Congress has been bland. He has granted few interviews to the press and, even then, has added little meat to the bones of his spare but intriguing one-page Pentagon biography.

"I don't think the American people, particularly in peacetime, want to see their generals splashed around on the front page," he said, smiling broadly, his uniform shirt open at the collar, his blue eyes darting toward the portrait of Gen. Omar Bradley, the "GI's general," that hangs near his desk.

Friends say that Vessey, too, likes to consider himself a soldier's soldier. "He's the most honest, real, down-to-earth person I've ever met," said Gen. Charles Gabriel, the Air Force chief of staff. "That's one of the beauties of Jack Vessey. From the time he was a sergeant, I'm sure he has been the same Jack."

Another friend compared Vessey's classic Minnesota stoicism and subtle humor to that of Bud Grant, the Vikings football coach. "He's like Bud, only with a better team."

Although entitled to wear nine rows of ribbons, including the Distinguished Service Cross, the military's second-highest award, Vessey often wears only one. Once, when a kid asked where he got his medals, Vessey replied, "In a Crackerjack box."

Vessey described his attitude with a chuckle: "If by the time we leave, we've built our defensive wall a little higher and stronger, then we will have done our thing, and we should just do it and shut up."

Vessey has needed his humor and his cool attitude over the past few years and, associates say, has displayed them at tense moments. There have been many.

He oversaw a massive infusion of money aimed at restoring muscle and pride to the military. He fought for the MX missile and "Star Wars." He insisted that the Pentagon, not the White House, direct the Grenada invasion. Despite criticism that the operation lacked coordination, he is gratified, given the haste of the venture.

During Vessey's tenure, terrorists bombed U.S. troops in Lebanon and West Germany. The Soviets shot down a Korean airliner and killed a U.S. Army observer in East Germany. Spies were discovered in the Navy. The Pentagon was found to be paying hundreds of dollars for toilet seats and ashtrays, which, in turn, exposed wider scandals involving wasteful and fraudulent defense contracts. Critics grumbled about Vessey's cautiousness and lack of innovation.

Vessey appears stoic about all that. "We don't learn new lessons," he said. "We relearn old lessons that we haven't paid attention to."

His head bows and his voice quiets when he is questioned further about Lebanon. It was the low point of his tenure.

Most often it's a mistake to use superpower troops as part of a peacekeeping force, he said. "As a general rule, we knew that in advance . . . and this is not the first time that lesson has been learned."

But the administration had "great expectations" for peace in Lebanon, he said. And

the Marines represented an investment, a deposit of "earnest" in hopes of fostering confidence within the Lebanese army and government.

In the end, however, "We had a peacekeeping force where there was no peace . . . and we were caught in the middle of it," he said.

Did he advise Reagan against sending U.S. troops? He won't say. It wouldn't be professional to disclose his private advice. Highly placed associates, however, confirmed that Vessey advised against the Lebanon venture.

Indeed, much of his counsel has been for restraint. Often during the Reagan years, traditional roles have been reversed, military advisers arguing for caution against more adventuresome views from civilians on the right.

Vessey and the chiefs, for example, also argued against scrapping the SALT II treaty, or expanding the U.S. role in Central America beyond maneuvers or against any imprudent deployment of U.S. forces in the Persian Gulf.

"I am absolutely, unalterably opposed to risking American lives for some phony sort of military and political objectives that we don't understand," he said two years ago.

Vessey was born June 29, 1922. His mother, Katherine Roche, came from an old Irish family in St. Paul. His father, Jack, was of English and Scottish stock, and worked as an agent for the Minneapolis, Northfield and Southern railway.

Young Jack, as he was called, was the first of seven children. The family lived in Lakeville until he was 13, then moved into a two-story stucco house on Weenonah Place, a small, tidy street just off 50th St. and 34th Av. in south Minneapolis.

"It was the nicest little street in the country," said Vessey's mother, 83, who since has moved into a retirement home not far away. "It was only one long block, and so quiet. The kids played ball in the street. It was just like the kids were growing up in a small town."

Friends remember Vessey as a Tom Sawyer figure—entertaining younger kids by pretending to swallow goldfish, holding the rope while older boys hoisted a cow onto the roof of the Lakeville school, playing "America" on the harmonica while standing on his head.

A few at Roosevelt High School thought Jack Vessey had "too much vinegar." But he was popular and had a serious side, too. "He didn't waste time hanging around street corners," recalled Howard Olson, a longtime friend. "Most of the time he was a no-nonsense guy."

He worked on the yearbook and in student government, was captain of the swim team and manager of the stage crew. He took keen interest in Boy Scouts and in the activities at nearby Lake Nokomis Lutheran Church. His mother recalls giving up serving Sunday night dinner to her family because the house was mobbed with teen-agers stopping over on the way to church youth meetings.

He also took a keen interest in Avis Funk, a striking blond girl with a bent toward art. He would correspond with her throughout the coming war and marry her afterward.

Vessey adored his father. They shared the same dead-pan humor and repeated the same corny jokes nearly every night at dinner. By the late 1930s, however, his father's health began to fail. His kidneys had not been right since the damp and muddy trenches of France in World War I. He was developing diabetes.

Together, they took a car trip to Oregon, along the way sharing what fathers and sons share. The father showed his boy the Army post where he had signed up to become a Doughboy in 1917.

He thought it was fine that Young Jack had joined the Minnesota National Guard, despite lying about his age. No one quite knows what motivated Young Jack to sign up, although one could envision him in 1939, a kid off the Wheaties box, hair slicked down, a giant gold R on his maroon letter sweater, sipping a chocalate malted at the Nickle Nook and telling his buddies, "Gosh, wouldn't it be swell to give those Nazis what they deserve?"

Eventually, on a cold February morning in 1941, Vessey marched off to prepare for war. He was home on leave when Pearl Harbor was attacked, and had to depart again, quickly.

"We were all out in the front yard saying goodbye," said his sister, Pat Vessey. "I looked around and my Dad was missing. I went into the house and he was sitting in a chair, tears rolling down his face. I'd never seen him cry before. He told my Mom, 'I'll never see that boy again.' "

He died as Young Jack headed toward the fighting in North Africa. The 34th Division, made up largely of Minnesota and Iowa boys, helped push the retreating Germans out of the desert and into Italy.

By the time their "Red Bull" division reached the beaches at Anzio, just south of Rome, Vessey had risen to first sergeant. "He was fair and firm and always stood up for his men," recalled Jim Gregg, mess sergeant in Vessey's artillery outfit.

"Once he came and told us that the captain was worried that the men would climb out of the foxholes and start running when the shelling got bad again. He said we should stay in our foxholes, but if anyone looked nervous, he could get them sent farther back. Then he said to me, 'If anybody says we're not *all* scared, he's a damn liar.' "

Days later, the Germans launched a counterattack. Hitler instructed his generals that "The men will fight with a solemn hatred . . . The battle must be hard and without pity (and Anzio) will drown in the blood of the Anglo-Saxon soldiers."

Bodies piled up. The U.S. 5th Army suffered 70,000 casualties in the first four months of 1944. Vessey's mother received word that "Of the 14 or 18 men closest to Jack, only six were left."

Suffering attrition, the Army commissioned Vessey a lieutenant and sent him to the front lines to direct artillery fire. An Army doctor sent Vessey's mother a photo. Jack was dancing a jig. "Later," she said, "I asked the doctor if that's how Jack got his commission, and he got real upset. He said Jack was just so happy after what he had been through."

After the war, Vessey considered entering the seminary. He remains a devout Lutheran, reading the Bible daily and occasionally attending Bible study sessions in the Pentagon.

He admits that it's a struggle to reconcile his religious beliefs and his job. Killing and starting wars are probably immoral, he has said, but there's probably no immorality in hoping to deter war by preparing for it.

Indeed, he has championed Reagan's military buildup.

As for assigning a special immorality to nuclear weapons, Vessey says that nations cannot uninvent them. "God invented golf to teach us something about life," he has said. "The ball is where it lies."

One of his toughest moments as a soldier came on an early March morning in 1967, when he rallied his battalion against an attack by 2,000 enemy troops against his force of 300 in Vietnam. Despite his wounds, he assisted as a cannoneer as the six-hour battle raged, lowering the barrels of the howitzers and firing point blank into the onrushing attackers, sometimes as they clung to the guns.

Vessey, of course, doesn't talk of the incident. Even close friends and relatives never have heard the details. According to Army records, Vessey finally spotted a group of enemy rocket launchers that were inflicting severe damage. "He seized a grenade launcher, moved into an open area and knocked out three of the insurgents' weapons," the citation states.

"He told me that that was the first time he thought it was time to get out of the Army," his mother recalled. "It was probably his closet call."

Ten years after the war's end, Vessey concedes mixed feelings over Vietnam. Those who consider the war a tragic misadventure might be "a little bit right," he said. But so might those who believe that politicians kept the U.S. from a victory that could have—and should have—been won.

He told of a recent trip to Thailand, knowing he would meet some of the Thai troops that fought with him in the futile battle for Laos. "I went there with a little fear and trepidation," he said. "One of the ones I saw was a lieutenant. I remembered when he lost his leg. He came out on his peg leg and greeted me and put his arms around me and talked about the war in Laos, 'Laos was Communist now (he told me), but I wasn't fighting for Laos, I was fighting for Thailand.'

'So, it wasn't all a failure," Vessey said, "it wasn't all in vain."

He has risen through the ranks by blending his experience as a mud soldier with his obvious savvy for command and his subtle talent for military politics. He became a lieutenant colonel without a college degree, then got a diploma from the University of Maryland when he was 41 and a master's from George Washington University at 45. He was 49 when he decided to become a helicopter pilot.

He's 5-9 and a trim 160 pounds. He runs nearly every morning, plays a solid game of handball despite two game knees, has a passion for golf and talks expertly about the migration of walleyes between Mille Lacs and Little Whitefish.

He learned to speak and write Korean when he commanded U.S. forces in South Korea in the 1970s and retains a keen interest in Korea. When President Carter proposed to remove U.S. troops from South Korea in 1977, Vessey warned that war could result. One of his deputies used harsher words. Carter fired him, but eventually changed his mind on pulling out the troops.

Vessey's career suffered its first real setback in 1979. Carter passed him over, selecting one of Vessey's former deputies as Army chief of staff. The military establishment was stunned. But the young officer, Gen. Edward Meyer, named Vessey as his assistant, and Vessey got his first taste of high level Pentagon duty.

By 1982, his lake home was finished and he and Avis were eager to retire. But Defense Secretary Caspar Weinberger met him as he returned from a trip to South America, telling him that the president wanted to see him right away. Vessey wondered what had gone wrong in South America. He was

manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (1) of this section, joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B) of this paragraph if the committee to which a joint resolution has been referred does not report such resolution within thirty days of continuous session of Congress after the date of transmittal to the Congress of the recommended rule to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within thirty days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported in the House in writing by one-fifth of the Members, duly chosen and sworn, and in the Senate by motion of the majority leader supported by the minority leader, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a joint resolution has been reported with respect to the same rule); and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees.

"(k)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) When a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding any rule of the Standing Rules of the Senate (except rule XXII) or any rule of the House of Representatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable.

"(3) Debate on a joint resolution shall be limited to not more than ten hours (except that when one House has debated the joint resolution of that House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to, or motion to recommit, the joint resolution is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

"(l) If a joint resolution has been reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same rule from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same rule from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

(b) Section 36 of the Consumer Product Safety Act (15 U.S.C. 2083) is amended to read as follows:

"CONGRESSIONAL REVIEW OF RULES

"SEC. 36. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'joint resolution' means a joint resolution which does not contain a preamble and the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the rule entitled , transmitted to the Congress by the Federal Trade Commission on , 19 .', the blank spaces being filled with the appropriate title of the rule and the date of transmittal of the rule to the Congress, respectively; and

"(3) 'rule' means any rule promulgated by the Commission pursuant to this Act, other than any rule promulgated under section 18(a)(1)(A) of this Act and any interpretive or procedural rule.

"(b)(1) Except as provided in subsection (g)(1) of this section, on the day the Commission forwards to the Federal Register for publication a recommended rule, the Commission shall transmit a copy of such rule to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended rule under this subsection whether the appropriate House is in session, stands in adjournment or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended rule, the Secretary and the Clerk shall transmit a copy of such rule to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended rule may become effective until the expiration of a period of ninety days after the date on which such rule is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such rule may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such rule has become law.

"(2) For purposes of this subsection—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only by an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this subsection if the adjournment is for more than five days.

"(d) Notwithstanding any other provision of law, any rule subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a rule unless such rule has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the rule involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended rule of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1) of this section, the Commission may resubmit the recommended rule at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of section (c)(1) shall begin on the date of such resubmission, and such rule may only become effective in accordance with this section. The Commission shall not be required to forward such rule to the Federal Register for publication, if such rule is identical to the rule transmitted during the previous session of Congress.

"(2) If a recommended rule of the Commission is disapproved under this section, the Commission may issue a recommended rule which relates to the same acts or practices as the disapproved rule. Such recommended rule—

"(A) shall be based upon—

"(i) the rulemaking record of the recommended rule disapproved by the Congress; or

"(ii) such rulemaking record and the record established in supplemental rulemaking proceedings conducted by the Commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing rulemaking record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the rule.

"(3) After issuing a recommended rule under this subsection, the Commission shall transmit such rule to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1) of this section, and such rule shall only become effective in accordance with this section.

"(h) The provisions of this subsection, subsection (a) (1) and (2), subsection (e), and subsections (i) through (l) of this section are enacted by Congress—

"(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in that House in the case of joint resolutions, and they supersede other rules only

to the extent that they are inconsistent therewith; and

"(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner and to the same extent as in the case of any other rule of that House.

"(i) Except as provided in subsection (l) of this section, joint resolutions shall, upon introduction or receipt from the other House of Congress, be immediately referred by the presiding officer of the Senate or the House of Representatives to the appropriate committee of the Senate or the House of Representatives, as the case may be.

"(j)(1)(A) Except as provided in subparagraph (B) of this paragraph, if the committee to which a joint resolution has been referred does not report such resolution within thirty days of continuous session of Congress after the date of transmittal to the Congress of the recommended rule to which such joint resolution relates, it shall be in order to move to discharge the committee from further consideration of such resolution.

"(B) If the committee to which a joint resolution transmitted from the other House has been referred does not report such resolution within thirty days after the date of transmittal of such resolution from the other House, it shall be in order to move to discharge such committee from further consideration of such resolution.

"(2) Any motion to discharge under paragraph (1) of this subsection must be supported in the House in writing by one-fifth of the Members, duly chosen and sworn, and in the Senate by motion of the majority leader supported by the minority leader, and is highly privileged in the House and privileged in the Senate (except that it may not be made after a joint resolution has been reported with respect to the same rule); and debate thereon shall be limited to not more than one hour, the time to be divided in the House of Representatives equally between those favoring and those opposing the motion to discharge and to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees.

"(k)(1) Except as provided in paragraphs (2) and (3) of this subsection, consideration of a joint resolution shall be in accord with the rules of the Senate and of the House of Representatives, respectively.

"(2) when a committee has reported or has been discharged from further consideration of a joint resolution, or when the companion joint resolution from the other House has been placed on the calendar of the first House, it shall be in order, notwithstanding any rule of the Standing Rules of the Senate (except rule XXII) or any rule of the House of Representatives, at any time thereafter (even though a previous motion to the same effect has been disagreed to) to move to proceed to the immediate consideration of either such joint resolution. The motion is highly privileged in the House and privileged in the Senate and is not debatable.

"(3) Debate on a joint resolution shall be limited to not more than ten hours (except that when one House has debated the joint resolution of that House, the companion joint resolution of the other House shall not be debatable), which shall be divided in the House of Representatives equally between those favoring and those opposing the resolution and which shall be divided in the Senate equally between, and controlled by, the majority leader and the minority leader, or their designees. An amendment to, or motion to recommit, the joint resolution is not in order. Any other motions shall be decided without debate, except that no motion to proceed to the consideration of any other matter shall be in order.

(l) If a joint resolution has been reported or discharged from the committee of the House to which it was referred, and that House receives a joint resolution with respect to the same rule from the other House, the resolution of disapproval of the other House shall be placed on the appropriate calendar of the first House. If, prior to the disposition of a joint resolution of one House, that House receives a joint resolution with respect to the same rule from the other House, the vote in the first House shall occur on the joint resolution of the other House.".

(c) Section 17 of the Flammable Fabrics Act (15 U.S.C. 1204) is amended to read as follows:

"CONGRESSIONAL REVIEW OF RULES

"SEC. 17. (a) For purposes of this section, the term—

"(1) 'appropriate committee' means either the Committee on Commerce, Science, and Transportation of the Senate or the Committee on Energy and Commerce of the House of Representatives, as the case may be;

"(2) 'joint resolution' means a joint resolution which does not contain a preamble and the matter after the resolving clause of which is as follows: 'That the Senate and the House of Representatives disapprove the regulation entitled , transmitted to the Congress by the Federal Trade Commission on , 19 .', the blank spaces being filled with the appropriate title of the regulation and the date of transmittal of the regulation to the Congress, respectively; and

"(3) 'regulation' means any regulation promulgated by the Commission pursuant to this Act, other than any regulation promulgated under section 18(a)(1)(A) of this Act and any interpretive or procedural regulation.

"(b)(1) Except as provided in subsection (g)(1) of this section, on the day the Commission forwards to the Federal Register for publication a recommended regulation, the Commission shall transmit a copy of such regulation to the Secretary of the Senate and the Clerk of the House of Representatives. The Secretary of the Senate and the Clerk of the House of Representatives are authorized to receive a recommended regulation under this subsection whether the appropriate House is in session, stands in adjournment or is in recess.

"(2) On the day on which the Secretary of the Senate and the Clerk of the House of Representatives receive a recommended regulation, the Secretary of the Clerk shall transmit a copy of such regulation to the appropriate committees.

"(c)(1) Notwithstanding any other provision of law, no recommended regulation may become effective until the expiration of a period of ninety days after the date on which such regulation is received by the Secretary of the Senate and the Clerk of the House of Representatives, except that such regulation may not become effective under this paragraph if within such ninety-day period a joint resolution with respect to such regulation has become law.

"(2) For purposes of this subsection—

"(A) the term 'days' means only days of continuous session of Congress;

"(B) continuity of session is broken only an an adjournment sine die at the end of a Congress; and

"(C) the days on which either House is not in session because of an adjournment or recess to a day certain shall be excluded in the computation of days of continuous session of Congress for the ninety-day period referred to in this subsection if the adjournment is for more than five days.

"(d) Notwithstanding any other provision of law, any regulation subject to this section shall be considered a recommendation of the Commission to the Congress and shall have no force and effect as a regulation unless such regulation has become effective in accordance with this section.

"(e) Whenever an appropriate committee reports a joint resolution pursuant to this section, the resolution shall be accompanied by a committee report specifying the reasons for the committee's action.

"(f) Congressional inaction on, or rejection of, any joint resolution shall not be deemed an expression of approval of the regulation involved. The compliance of the Commission with the requirements of this section, including any determination by the Commission under this section, shall not be subject to judicial review of any kind.

"(g)(1) If a recommended regulation of the Commission does not become effective because of an adjournment of Congress sine die before the expiration of the period specified in subsection (c)(1) of this section, the Commission may resubmit the recommended regulation at the beginning of the next regular session of Congress. The ninety-day period specified in the first sentence of section (c)(1) shall begin on the date of such resubmission, and such regulation may only become effective in accordance with this section. The Commission shall not be required to forward such regulation to the Federal Register for publication, if such regulation is identical to the regulation transmitted during the previous session of Congress.

"(2) If a recommended regulation of the Commission is disapproved under this section, the Commission may issue a recommended regulation which relates to the same acts or practices as the disapproved regulation. Such recommended regulation—

"(A) shall be based upon—

"(i) the regulation-making record of the recommended regulation disapproved by the Congress; or

"(ii) such regulation-making record and the record established in supplemental regulation-making proceedings conducted by the Commission, in accordance with section 553 of title 5, United States Code, in any case in which the Commission determines that it is necessary to supplement the existing regulation-making record; and

"(B) may reflect such changes as the Commission considers necessary or appropriate, including such changes as may be appropriate in light of congressional debate and consideration of the joint resolution with respect to the regulation.

"(3) After issuing a recommended regulation under this subsection, the Commission shall transmit such regulation to the Secretary of the Senate and the Clerk of the House of Representatives, in accordance with subsection (b)(1) of this section, and such regulation shall only become effective in accordance with this section.

"(h) The provisions of this subsection, subsection (a) (1) and (2), subsection (e), and subsections (i) through (l) of this section are enacted by Congress—

each hazardous substance for the calendar year immediately preceding the submission of the Hazardous Substances Inventory form:

"(i) the stack or point-source emissions;

"(ii) the estimated fugitive or non point-source emissions of the hazardous substances;

"(iii) the discharge into the surface water or groundwater, the treatment methods, and the raw wastewater volumes and loadings; and

"(iv) the discharge into publicly-owned treatment works;

"(D) the quantity and methods of disposal of any wastes containing the hazardous substance, the method of onsite storage of such wastes, the location or locations of the final disposal site of such wastes, and the identity of the transporter of such wastes;

"(E) the month and year that the information on the Hazardous Substances Inventory was compiled and the name, address, and emergency telephone number of the person responsible for preparing the information.

For the purposes of this paragraph, facility owners and operators may utilize readily available data collected pursuant to other State and Federal environmental laws.

"(4) Each person who submits a form pursuant to the requirements of this subsection shall attach thereto a copy of the Material Safety Data Sheet, required pursuant to the Occupational Safety and Health Act, pertaining to the hazardous substance that is reported in the form.

"(5) The Hazardous Substances Inventory shall be distributed by the facility owner or operator to, at a minimum, the President; State and local emergency and medical response personnel; the State police, health and environmental departments; area police and fire departments; area emergency medical services; area hospitals; and area libraries.

"(6) The President, for the purposes of this subsection, shall establish a toll-free telephone number, operating twenty-four hours per day, that is computer accessible, to respond to telephone inquiries concerning the Hazardous Substances Inventory and the information contained therein. Within sixty days of establishment of such a telephone line, the President shall inform appropriate State and local officials.

"(7)(A) The President may verify the data contained in the Hazardous Substances Inventory form using the authority of section 104(e) of this Act.

"(B) Information submitted under this subsection shall be treated as information submitted under section 104(e) and shall be subject to the provisions of section 104(e)(2).

"(8) Any person who knowingly omits material information or makes any false material statement or representation in the Hazardous Substances Inventory, shall, upon conviction, be fined not more than $25,000 or imprisoned for not more than one year, or both.

"(9) Nothing in this subsection shall be construed to limit the ability of any State to require submission of information related to hazardous substances, or to require additional distribution of the Hazardous Substances Inventory form from facilities operating within its borders.

"(i)(1) Every two years after the date of enactment of the Superfund Improvement Act of 1985, the National Toxicology Program, in consultation with appropriate Federal agencies, shall review new and existing chemicals and compile a list of substances to supplement those referred to in subsection (h), taking into account, at a minimum, the reactivity, toxicity, volatility, carcinogenicity, mutagenicity, teratogenicity, neurotoxicity, and production levels of the chemical.

"(2) Within one hundred and eighty days after publication of the list compiled by the National Toxicology Program, the President shall promulgate such list of substances as those requiring preparation and distribution of the Hazardous Substances Inventory under this Act, unless the President demonstrates that a particular hazardous substance does not present a risk equal to or greater than those substances referred to in subsection (h)(1). In the event that the President decides not to list a hazardous substance, the President shall, with opportunity for public notice and comment, state the basis on which the hazardous substance was not considered to present a risk sufficient to warrant preparation and distribution of the Hazardous Substances Inventory.".

SCOPE OF PROGRAM

SEC. 107. (a) Section 104(a)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by striking that language between the word "environment" the third time it appears and the period and inserting in lieu thereof a period and the following: "The President shall give primary attention to those releases which may present a public health threat. The President may authorize the owner or operator of the vessel or facility from which the release or threat of release emanates, or any other responsible party, to perform the removal or remedial action if the President determines that such action will be done properly by the owner, operator, or responsible party".

(b) Section 104(a) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by adding the following new paragraphs:

"(3) The President shall not provide for a removal or remedial action under this section in response to a release or threat of release—

"(A) of a naturally occurring substance in its unaltered form, or altered solely through naturally occurring processes or phenomena, from a location where it is naturally found;

"(B) from products which are part of the structure of, and result in exposure within, a facility; or

"(C) into public or private drinking water supplies due to deterioration of the system through ordinary use.

"(4) Notwithstanding paragraph (3) of this subsection, to the extent authorized by this section the President may respond to any release or threat of release if in the President's discretion it constitutes a public health or environmental emergency and no other person with the authority and capability to respond to the emergency will do so in a timely manner.".

STATUTORY LIMITS ON REMOVALS

SEC. 108. Section 104(c)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by striking "six months" and inserting "one year" in lieu thereof and inserting before "obligations" the following: "or (C) continued response action is otherwise appropriate and consistent with permanent remedy,".

STATE CREDIT

SEC. 109. (a) Section 104(c)(3) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by striking "The President shall grant the State a credit against the share" and all that follows down through the end of such section 104(c)(3) and inserting in lieu thereof the following: "In determining the portion of the costs referred to in this section which is required to be paid by a participating State, the President shall grant the State a credit for amounts expended or obligated by such State or by a political subdivision thereof after January 1, 1978, and before December 11, 1980, for any response action costs which are covered by section 111(a) (1) or (2) and which are incurred at a facility or release listed pursuant to section 105(8). Such credit shall have the effect of reducing the amount which the State would otherwise be required to pay in connection with assistance under this section.".

(b)(1) Section 104(d)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by adding the following new sentence: "For the purposes of the last sentence of subsection (c)(3) of this section, the President may enter into a contract or cooperative agreement with a State under this paragraph under which such State will take response actions in connection with releases listed pursuant to section 105(8)(B), using non-Federal funds for such response actions, in advance of and without any obligation by the President of amounts from the Fund for such response actions.".

(2) Section 104(c)(3) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is further amended by adding the following sentence: "The President shall grant the State a credit against the share of costs for which it is responsible under this paragraph for any reasonable, documented, direct out-of-pocket non-Federal funds expended or obligated by the State under a contract or cooperative agreement under the last sentence of subsection (d)(1).".

FUNDING OF REMEDIAL ACTION AT FACILITY OPERATED BY A STATE OR POLITICAL SUBDIVISION

SEC. 110. Section 104(c)(3) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended—

(1) by amending section 104(c)(3)(C)(ii) to read as follows:

"(ii) 50 per centum (or such greater amount as the President may determine appropriate, taking into account the degree of responsibility of the State or political subdivision for the release) of any sums expended in response to a release at a facility, that was operated by the State or a political subdivision thereof, either directly or through a contractual relationship or otherwise, at the time of any disposal of hazardous substances therein. For the purpose of subparagraph (C)(ii) of this paragraph, the term 'facility' does not include navigable waters or the beds underlying those waters."; and

(2) by adding at the end thereof the following: "In the case of any State which has paid, at any time after the date of the enactment of the Superfund Improvement Act of 1985, in excess of 10 per centum of the costs of remedial action at a facility owned but not operated by such State or by a political subdivision thereof, the President shall use money in the Fund to provide reimbursement to such State for the amount of such excess.".

SELECTION OF REMEDIAL ACTIONS

SEC. 111. Section 104(c)(4) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended to read as follows:

"(4)(A) The President shall select appropriate remedial actions determined to be necessary to carry out this section which, to the extent practicable, are in accordance with the national contingency plan and which provide for cost-effective response. In evaluating the cost-effectiveness of proposed alternative remedial actions, the President shall take into account the total short- and long-term costs of such actions, including the costs of operation and maintenance for the entire period during which such activities will be required.

"(B) Remedial actions in which treatment which significantly reduces the volume, toxicity or mobility of the hazardous substances is a principal element, are to be preferred over remedial actions not involving such treatment. The offsite transport and disposal of hazardous substances or contaminated materials without such treatment should be the least favored alternative remedial action, where practicable treatment technologies are available.

"(C) Remedial actions selected under this paragraph or otherwise required or agreed to by the President under this Act shall attain a degree of cleanup of hazardous substances, pollutants, and contaminants from the environment and of control of further release at a minimum which assures protection of human health and the environment. Such remedial actions shall be relevant and appropriate under the circumstances presented by the release or threatened release of such substance, pollutant, or contaminant.

"(D) No permit shall be required under subtitle C of the Solid Waste Disposal Act, section 402 or 404 of the Clean Water Act, or section 10 of the Rivers and Harbors Act of 1899, for the portion of any removal or remedial action conducted pursuant to this Act entirely onsite: Provided, That any onsite treatment, storage, or disposal of hazardous substances, pollutants, or contaminants shall comply with the requirements of subparagraph (C).

"(E) Subject to the requirements of this paragraph, the President shall select the appropriate remedial action which provides a balance between the need for protection of public health and welfare and the environment at the facility under consideration, and the availability of amounts from the Fund to respond to other sites which present or may present a threat to public health or welfare or the environment, taking into consideration the relative immediacy of such threats.".

STATE AND FEDERAL CONTRIBUTIONS TO OPERATION AND MAINTENANCE

SEC. 112. Section 104(c) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by adding the following new paragraphs:

"(5) For the purposes of paragraph (3) of this subsection, in the case of ground or surface water contamination, completed remedial action includes the completion of treatment or other measures, whether taken onsite or offsite, necessary to restore ground and surface water quality to a level that assures protection of human health and the environment. With respect to such measures, the operation of such measures for a period up to five years after the construction or installation and commencement of operation shall be considered remedial action. Activities required to maintain the effectiveness of such measures following such period or the completion of remedial action, whichever is earlier, shall be considered operation or maintenance.

"(6) During any period after the availability of funds received by the Trust Fund under sections 4611 and 4661 of the Internal Revenue Code of 1954 or section 221(b)(2) or section 303(b) of this Act, the Federal share of the payment of costs for operation and maintenance pursuant to paragraph (3)(C)(i) or paragraph (5) of this subsection shall be from funds received by the Trust Fund under section 221(b)(1)(B).".

SITING OF HAZARDOUS WASTE FACILITIES

SEC. 113. Section 104(c) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by adding the following new paragraph:

"(7) Effective three years after the date of enactment of the Superfund Improvement Act of 1985, the President shall not provide any remedial actions pursuant to this section unless the State in which the release occurs first enters into a contract or cooperative agreement with the President providing assurances deemed adequate by the President that the State will assure the availability of hazardous waste treatment or disposal facilities acceptable to the President and in compliance with the requirements of subtitle C of the Solid Waste Disposal Act with adequate capacity for the destruction, treatment, or secure disposition of all hazardous wastes that are reasonably expected to be generated within the State during the twenty-year period following the date of such contract or cooperative agreement and to be disposed of, treated, or destroyed.".

COOPERATIVE AGREEMENTS

SEC. 114. Section 104(d)(1) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by striking all of the existing paragraph (other than that added by this Act) and substituting the following:

"(d)(1) Where the President determines that a State or political subdivision has the capability to carry out any or all of the actions authorized in this section, the President may, in the discretion of the President and subject to such terms as the President may prescribe, enter into a contract or cooperative agreement and combine any existing cooperative agreements with such State or political subdivision (which may cover a specific facility or facilities) to take such actions in accordance with criteria and priorities established pursuant to section 105(8) of this title and to be reimbursed from the Fund for the reasonable response costs and related activities associated with the overall implementation, coordination, enforcement, training, community relations, site inventory and assessment efforts, and administration of remedial activities authorized by this Act. Any contract made hereunder shall be subject to the cost-sharing provisions of subsection (c) of this section.".

ACCESS AND INFORMATION GATHERING

SEC. 115. Section 104(e) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 is amended by striking "(2)" and inserting "(5)" in lieu thereof and by striking all of existing paragraph (1) and inserting in lieu thereof the following:

"(1) For the purposes of determining the need for response, or choosing or taking any response action under this title, or otherwise enforcing the provisions of this title, any officer, employee, or representative of the President, duly designated by the President, or any duly designated officer, employee, or representative of a State, is authorized where there is a reasonable basis to believe there may be a release or threat of release of a hazardous substance—

"(A) to require any person who has or may have information relevant to (i) the identification or nature of materials generated, treated, stored, transported to, or disposed of at a facility, or (ii) the nature or extent of a release or threatened release of a hazardous substance at or from a facility, to furnish, upon reasonable notice, information or documents relating to such matters. In addition, upon reasonable notice, such person either shall grant to appropriate representatives access at all reasonable times to inspect all documents or records relating to such matters or shall copy and furnish to the representatives all such documents or records, at the option of such person;

"(B) to enter at reasonable times any establishment or other place or property (i) where hazardous substances are, may be, or have been generated, stored, treated, disposed of, or transported from, (ii) from which or to which hazardous substances have been or may have been released, (iii) where such release is or may be threatened, or (iv) where entry is needed to determine the need for response or the appropriate response or to effectuate a response action under this title; and

"(C) to inspect and obtain samples from such establishment or other place or property or location of any suspected hazardous substance and to inspect and obtain samples of any containers or labeling for suspected hazardous substances. Each such inspection shall be completed with reasonable promptness. If the officer, employee, or representative obtains any samples, prior to leaving the premises, he shall give to the owner, operator, tenant, or other person in charge of the place from which the samples were obtained a receipt describing the sample obtained and, if requested, a portion of each such sample. If any analysis is made of such samples, a copy of the results of the analysis shall be furnished promptly to the owner, operator, tenant, or other person in charge, if such person can be located.

"(2)(A) If consent is not granted regarding a request made by a duly designated officer, employee, or representative under paragraph (1), the President, upon such notice and an opportunity for consultation as is reasonably appropriate under the circumstances, may issue an order to such person directing compliance with the request, and the President may ask the Attorney General to commence a civil action to compel compliance.

"(B) In any civil action brought to obtain compliance with the order, the court shall, where there is a reasonable basis to believe there may be a release or threat of a release of a hazardous substance: (i) in the case of interference with entry or inspection, enjoin such interference or direct compliance with orders to prohibit interference with entry or inspection, unless under the circumstances of the case the demand for entry or inspection is arbitrary and capricious, an abuse of discretion, or not in accordance with law; and (ii) in the case of information or document requests, enjoin interference with such information or document requests or direct compliance with orders to provide such information or documents, unless under the circumstances of the case the demand for information or documents is arbitrary and capricious, an abuse of discretion, or not in accordance with law. The court may assess a civil penalty not to exceed $10,000 against any person who unreasonably fails to comply with the provisions of paragraph (1) or an order issued pursuant to paragraph (2).

issued, or a rule which was promulgated, before the date of enactment of this Act. These amendments shall not be construed to affect in any manner a cease-and-desist order issued after the date of enactment of this Act, if such order was issued pursuant to remand from a court of appeals or the Supreme Court of an order issued by the Commission before the date of enactment of this Act.

(c) The provisions of section 24(c) of the Federal Trade Commission Act, as added by section 3 of this Act, shall apply only to complaints issued by the Federal Trade Commission under section 5 of the Federal Trade Commission Act (15 U.S.C. 45) on or after the date of enactment of this Act.

(d) The amendments made by sections 6 and 12 of this Act shall apply only to rulemaking proceedings initiated after the date of enactment of this Act. These amendments shall not be construed to affect in any manner a rulemaking proceeding which was initiated before the date of enactment of this Act.

MOTION OFFERED BY MR. FLORIO

Mr. FLORIO. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. FLORIO moves to strike out all after the enacting clause of the Senate bill, S. 1078, and to insert in lieu thereof the provisions of H.R. 2385, as passed by the House.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title of the Senate bill was amended so as to read: "An act to amend the Federal Trade Commission Act to extend the authorization of appropriations contained in such Act, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill, H.R. 2385, was laid on the table.

GENERAL LEAVE

Mr. FLORIO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

AMTRAK REAUTHORIZATION

The SPEAKER pro tempore. Pursuant to House Resolution 263 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2266.

The Chair designates the gentleman from Michigan [Mr. KILDEE] as Chairman of the Committee of the Whole and requests the gentleman from California [Mr. MINETA] to assume the chair temporarily.

□ 1410

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2266) authorizing appropriations for Amtrak for fiscal years 1986 and 1987, establishing a Commission to study the financial status of Amtrak, and for other purposes, with Mr. MINETA (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New Jersey [Mr. FLORIO] will be recognized for 30 minutes and the gentleman from New York [Mr. LENT] will be recognized for 30 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. FLORIO].

Mr. FLORIO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 2266, legislation that would reauthorize Amtrak, our nation's passenger railroad.

This is an important piece of legislation for it allows Amtrak to maintain its existing level of service while encouraging the railroad to continue to improve its efficiency.

The administration initially proposed to eliminate all Federal funding for Amtrak. The practical effect of this proposal would be the elimination of all rail passenger service in the United States on October 1. The administration has argued that States and localities, or the private sector, would take over Amtrak's profitable lines.

There is no evidence to justify support for the administration's claim. The President of the Association of American Railroads has stated that he knows of "no interest expressed by any freight railroad" and that it would be "hard to believe that any freight railroad would be interested in getting back into that service."

Similarly, the Northeast Corridor Commuter Rail Authorities Committee announced that its members have neither the physical assets nor the financial resources to pick up any service on the Northeast Corridor.

Fortunately, the administration recognized the need to continue rail passenger service in the agreement it reached with the Senate on the budget. That agreement assumes a funding level for Amtrak adequate to maintain all existing routes.

It is important to understand why we need Amtrak. Twenty million passengers ride the railroad.

In the Northeast, for instance, the loss of Amtrak will result in unmitigated disaster in the region. Amtrak carries 17,500 people a day between Washington and New York. All the airlines combined carry only 12,000 people daily. The highways and airports of the Northeast are already packed, and 17,500 additional passengers a day would make a bad situation impossible to bear.

Additionally, the commuter authorities of the Northeast would have to assume tremendous costs to cover maintenance previously shared with Amtrak. For example, New Jersey Transit would have to pay an additional $47 million a year to maintain the portion of the Northeast Corridor that it uses.

Outside the Northeast, about half of all Amtrak passengers earn a family income of less than $20,000 annually and more than one-third of all non-Northeast passengers are over 55 years of age. Without Amtrak, these citizens would be forced to take either more costly, more frightening or less comfortable modes of transportation. Moreover, Amtrak is often the only mode of transportation that can operate during huge snowstorms, saving many communities, particularly in the West, from being isolated.

By all standards, Amtrak's financial performance has improved greatly in recent years—ridership is up and the railroad's subsidy, in constant dollars, is 26.6 percent less this year than that for fiscal year 1981. Furthermore, Amtrak's revenue to cost ratio has increased from 48 percent to 56 percent in the last few years. This legislation requires Amtrak to improve its revenue to cost ratio to 61 percent by the end of fiscal year 1986.

This bill reauthorizes Amtrak at a level 10 percent below Amtrak's fiscal year 1985 funding level.

To ensure continued levels of service and safety, the bill includes an important provision. Unless funds are otherwise available to operate the Amtrak system at present levels of service, maintenance, and equipment overhauls, Amtrak is required to use funds designated for nonoperational capital projects to maintain the system. Maintaining safe and efficient service is obviously the backbone of Amtrak's continued success. Taking too large a bite out of Amtrak will force the railroad to defer maintenance on many of its facilities, such as its track and equipment. The result of this deferral will mean greater safety hazards and less efficient service for Amtrak's passengers. If we allow this to happen, the railroad will be paralyzed and the long term effects will be devastating. This provision is designed to prevent this vicious cycle of deferred maintenance from occurring.

Furthermore, there is another provision which makes clear that this bill should not result in reduction of frequency of service on those lines which have three or fewer trains running in either direction each week, as long as

the trains meet the statutory criteria for continuation.

I should note that the bill had strong bipartisan support in the committee.

Amtrak is a critical part of our national transportation system. If Amtrak were eliminated, the disastrous effects would be felt throughout the United States. This is a good bill for it allows Amtrak to provide its important service yet it also recognizes the need to reduce the deficit by reducing Amtrak's authorization.

I urge my colleagues to vote in support of this bill.

□ 1415

Mr. LENT. Mr. Chairman, I yield myself such time as I shall consume.

Mr. Chairman, I rise in support of H.R. 2266 which reauthorizes Amtrak for fiscal year 1986 and commend the gentleman from New Jersey, the chairman of the Subcommittee on Commerce, Transportation, and Tourism.

This bill authorizes $616 million for Amtrak for fiscal year 1986. This level of authorization represents a 10-percent reduction from the level of Federal funding Amtrak received in fiscal year 1985. On Wednesday of last week, the House passed the Department of Transportation fiscal year 1986 appropriations bill. That bill reduced Amtrak's appropriation by 11.4 percent of the appropriations which Amtrak received in 1985. It is my understanding that an amendment will be offered to bring H.R. 2266 in line with the appropriations bill.

This year, when the Federal deficit is of such major importance and concern, Congress has been carefully scrutinizing all federally funded programs, looking for ways to improve their efficiency, reduce their expenditures and, thereby, save the taxpayers' money. For this reason, Amtrak must shoulder its fair share in our effort to reduce the deficit.

During hearings before the Subcommittee on Commerce, Transportation, and Tourism, the Secretary of Transportation, Mrs. Dole, outlined a number of steps that could be taken to further increase Amtrak's efficiency and to reduce its reliance on Federal funding. Suggestions to increase Amtrak's efficiency were also put forward by Graham Claytor, the President of Amtrak, in Amtrak's 1985 legislative report.

H.R. 2266 includes some of the suggestions which were made for increasing Amtrak's revenues. For example, section 4 of the bill allows Amtrak to compete for preferred contract carrier status in the Federal Government's discount program for Federal employees traveling on official business. Amtrak's inclusion in this program should result in additional revenues for Amtrak and considerable savings to the Government.

A number of other suggestions have also been made which would make savings in Amtrak's operational costs. I feel that some of these suggestions have great benefit. One example, which was submitted to the subcommittee as a method by which Amtrak could reduce its costs, would be for Amtrak to employ all of its own workers.

Presently, Amtrak directly employs workers only on the Northeast Corridor and on its auto train service. These workers are paid on an hourly basis. On Amtrak's other routes, it contracts with private carriers, utilizing selected maintenance and crew services of those private carriers. Amtrak reimburses the carriers for the costs of providing these services. Most of the private carriers' crews are paid according to the miles they travel, instead of the hours they work. If Amtrak directly employed these crews, it could save $30 million per year.

This is just one of many examples of changes which could be made to further improve Amtrak's financial performance. I hope that Amtrak and members of the appropriate rail labor organizations will give this change serious consideration.

Finally this bill establishes a Commission to study—

First, the ability of Amtrak to continue to improve, or accelerate the improvement of its financial performance;

Second, the short-term and long-term needs of Amtrak; and

Third, alternative methods of funding Amtrak.

The study commission is required to report back to Congress on March 30, 1986. This report is to contain a detailed statement of the findings and conclusions of the commission, together with the commission's recommendations for such legislation as it considers appropriate. This study should help Congress to work with Amtrak in order to provide legislation so that Amtrak can become less reliant on Federal taxpayers' dollars.

The record of Amtrak shows that Graham Claytor, President of Amtrak, is doing a truly outstanding job in running this Nation's passenger railroad. In the last few years, Amtrak has consistently improved its revenue to cost ratio. That ratio improved from 48 to 56 percent in 1984 and is anticipated to improve to 58 percent this year and 60 percent in 1986. This performance should be commended and encouraged to continue. Yet, given the huge Federal deficit the United States is presently facing, it is essential for Amtrak to have tools needed to become an even more efficient operation.

In conclusion, Mr. Chairman, I support H.R. 2266 because I believe that it achieves our goal of reducing the Federal deficit while at the same time maintaining the most efficient nationwide rail passenger service possible.

Thank you, Mr. Chairman.

Mr. FLORIO. Mr. Chairman, I am pleased to yield 3 minutes to the gentleman from Maryland [Mr. MITCHELL].

Mr. MITCHELL. Mr. Chairman, I thank the chairman of the committee for yielding time to me and I rise in very firm support of H.R. 2226.

The original plan which would have called for just dropping Amtrak altogether, hoping that somebody would buy it, would have been a disaster because it would have meant that America would have been the only developed country in the world with no intercity rail passenger transportation. It would have been a disaster simply because of the heavy impact on low-income and elderly passengers.

Forty-seven percent of long-distance commuters have family incomes of under $20,000, and 36 percent of long-distance commuters are 55 years old or older.

Had this plan gone through—and I thank the members of the committee for their perseverance in getting us this authorization—had it gone through, we would have eliminated the sole mode of transportation for 22 million passengers in 500 communities in this Nation.

Those who proposed just dismantling Amtrak by offering it out for sale with no bidders evidently did not take into account that it would have placed excessive burdens on the airports had this kind of proposition gone through.

And most importantly, if it were not for Amtrak, we would have 25,000 more people joining 8½ million people who are unemployed.

I am in strong support of this legislation. I would not have supported the cuts to the extent that they are made, but nevertheless we are preserving a very effective system.

I have two interesting comments from constituents that I wanted to put into the RECORD. One says "Government officials may not ride Amtrak, but many Americans do, not only in the Northeast Corridor but throughout this land."

Then another says, "To destroy Amtrak, a going concern that has taken 14 years to build, once dismantled it probably can never be replaced."

There is a big difference between holding down expenses and liquidating a program concerned with over $3 billion in capital investments and over 30,000 skilled employees. I commend the members of the committee for getting this authorization bill through.

Let me just end up with this one quote that I thought was simply fascinating because it begins to put our priorities in order:

"(2) The United States district court for the district in which the release has occurred or threatens to occur shall have jurisdiction to enforce the order, and any person who violates or fails to obey such an order shall be liable to the United States for a civil penalty of not more than $10,000 for each day in which such violation occurs or such failure to comply continues.".

NATIONAL CONTINGENCY PLAN—HAZARD RANKING SYSTEM

SEC. 120. Section 105 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by inserting "(a)" immediately following "105." and by adding the following at the end thereof:

"(b) Not later than twelve months after the date of enactment of the Superfund Improvement Act of 1985, the President shall revise the National Contingency Plan to reflect the requirements of such amendments. The portion of such Plan known as 'the National Hazardous Substance Response Plan' shall be revised to provide procedures and standards for remedial actions undertaken pursuant to this Act which are consistent with amendments made by the Superfund Improvement Act of 1985 relating to the selection of remedial action.

"(c) Not later than twelve months after the date of enactment of the Superfund Improvement Act of 1985 and after publication of notice and opportunity for submission of comments in accordance with section 553 of title 5, United States Code, the President shall by rule promulgate amendments to the hazard ranking system in effect on September 1, 1984. Such amendments shall assure, to the maximum extent feasible, that the hazard ranking system accurately assesses the relative degree of risk to human health and the environment posed by sites and facilities subject to review. The President shall establish an effective date for the amended hazard ranking system which is not later than eighteen months after the date of enactment of the Superfund Improvement Act of 1985 and such amended hazard ranking system shall be applied to any site or facility to be newly listed on the National Priority List after the effective date established by the President. Until such effective date of the regulations, the hazard ranking system in effect on September 1, 1984, shall continue to full force and effect.".

NATIONAL CONTINGENCY PLAN

SEC. 121. (a) Section 105(a)(8)(B) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as redesignated by this Act, is amended by striking "at least four hundred of" when it appears.

(b) Section 105(8)(B) is further amended by striking the phrase "at least" following the word "facilities" the second time it appears and by inserting "A State shall be allowed to designate its highest priority facility only once." after the third full sentence thereof.

FOREIGN VESSELS

SEC. 122. Section 107(a)(1) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 is amended by striking "(otherwise subject to the jurisdiction of the United States)".

STATE AND LOCAL GOVERNMENT LIABILITY

SEC. 123. Section 107(d) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by inserting "(1)" after "(d)" and adding the following new language:

"(2) No State or local government shall be liable under this title for costs or damages as a result of non-negligent actions taken in response to an emergency created by the release of a hazardous substance, pollutant, or contaminant generated by or from a facility owned by another person.".

CONTRACTOR INDEMNIFICATION

SEC. 124. Section 107(e) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by inserting after paragraph (1) the following new paragraph and redesignating the succeeding paragraph accordingly:

"(2) The Administrator may, in contracting or arranging for response action to be undertaken under this Act, agree to hold harmless and indemnify a contracting party against claims, including the expenses of litigation or settlement, by third persons for death, bodily injury or loss of or damage to property arising out of performance of a cleanup agreement to the extent that such claim does not arise out of the negligence of the contracting party.".

NATURAL RESOURCE DAMAGE CLAIMS

SEC. 125. (a) Section 107(f) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by inserting "(1)" after "(f)" and by adding at the end thereof the following new paragraphs:

"(2)(A) The President shall designate in the National Contingency Plan published under section 105 of this Act the Federal officials who shall act on behalf of the public as trustees for natural resources under this Act and section 311 of the Clean Water Act. Such officials shall assess damages to natural resources for the purposes of this Act and section 311 of the Clean Water Act for those resources under their trusteeship, and may upon request of and reimbursement from a State and at the Federal officials' discretion, assess damages for those natural resources under a State's trusteeship.

"(B) The Governor of each State shall designate the State officials who may act on behalf of the public as trustees for natural resources under this Act and section 311 of the Clean Water Act and shall notify the President of such designations. Such State officials shall assess damages to natural resources for the purposes of this Act and section 311 of the Clean Water Act for those resources under their trusteeship.

"(C) Any determination or assessment of damages to natural resources for the purposes of this Act and section 311 of the Clean Water Act made by a Federal or State trustee in accordance with the regulations promulgated under section 301(c) of this Act shall have the force and effect of a rebuttable presumption on behalf of the trustee in any judicial proceeding under this Act or section 311 of the Clean Water Act.

"(D) The President shall promulgate the regulations required under section 301 of this Act not later than six months after the enactment of the Superfund Improvement Act of 1985.".

(b) Section 111(e)(2) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by adding the following: "No money in the Fund may be used for the payment of any claim under subsection (a)(3) or subsection (b) of this section in any fiscal year for which the President determines that all of the Fund is needed for response to threats to public health from releases or threatened releases of hazardous substances.".

(c) Section 111(h) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is repealed.

CONTRIBUTION AND PARTIES TO LITIGATION

SEC. 126. Section 107, of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by adding a new subsection to read as follows:

"(l)(1) In any civil or administrative action under this section or section 106, no claim for contribution or indemnification may be brought until after entry of judgment or date of settlement in good faith. Nothing in this subsection shall diminish the right of any person to bring an action for contribution or indemnification in the absence of a civil or administrative action under this section or section 106.

"(2) After judgment in any civil action under section 106 or under subsection (a) of this section, any defendant held liable in the action may bring a separate action for contribution against any other person liable or potentially liable under subsection (a). Such an action shall be brought in accordance with section 113. Except as provided in paragraph (4) of the subsection, this subsection shall not impair any right of indemnity under existing law.

"(3) When a person has resolved its liability to the United States or a State in a judicially approved good faith settlement, such person shall not be liable for claims for contribution under paragraph (2) of this subsection regarding matters addressed in the settlement. Such settlement does not discharge any of the other potentially liable persons unless its terms so provide, but it reduces the potential liability of the others to the extent of any amount stipulated by the settlement.

"(4) Where the United States or a State has obtained less than complete relief from a person who has resolved its liability to the United States or the State in a good faith settlement, the United States or the State may bring an action for the remainder of the relief sought against any person who has not so resolved its liability. A person that has resolved its liability to the United States or a State in a good faith settlement may, where appropriate, maintain an action for contribution or indemnification against any person that was not a party to the settlement. In any action under this paragraph, the rights of a State or any person that has resolved its liability to the United States or a State shall be subordinate to the rights of the United States. Any contribution action brought under this paragraph shall be brought in accordance with section 113.".

FEDERAL LIEN

SEC. 127. Section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by adding the following new subsection:

"(m)(1) All costs and damages for which a person is liable to the United States under subsection (a) of this section shall constitute a lien in favor of the United States upon all real property and rights to such property belonging to such person that are subject to or affected by a removal or remedial action.

"(2) The lien imposed by this subsection shall arise at the time costs are first incurred by the United States with respect to a response action under this Act and shall continue until the liability for the costs (or a judgment against the person arising out of such liability) is satisfied or becomes unenforceable through operation of the statute of limitations provided in section 113(e).

"(3) The lien imposed by this subsection shall not be valid as against any purchaser, holder of a security interest, or judgment

lien creditor until notice of the lien has been filed in the appropriate office within the State (or county or other governmental subdivision), as designated by State law, in which the real property subject to the lien is physically located. If the State has not by law designated one office for the receipt of such notices of liens, the notice shall be filed in the office of the clerk of the United States district court for the district in which the real property is physically located. For purposes of this subsection, the terms "purchaser" and "security interest" shall have the definitions provided in section 6323(h) of title 26, United States Code. This paragraph does not apply with respect to any person who has or reasonably should have actual notice or knowledge that the United States has incurred costs giving rise to a lien under paragraph (1) of this subsection.

"(4) The costs constituting the lien may be recovered in an action in rem in the United States district court for the district in which the removal or remedial action is occurring or has occurred. Nothing in this subsection shall affect the right of the United States to bring an action against any person to recover all costs and damages for which such person is liable under subsection (a) of this section.".

DIRECT ACTION

SEC. 128. (a) Section 108 (c) and (d) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended to read as follows:

"(c) In any case where the owner or operator is in bankruptcy, reorganization, or arrangement pursuant to the Federal Bankruptcy Code or where with reasonable diligence jurisdiction in the Federal courts cannot be obtained over an owner or operator likely to be solvent at the time of judgment, any claim authorized by section 107 or 111 may be asserted directly against the guarantor providing evidence of financial responsibility. In the case of any action pursuant to this subsection, such guarantor shall be entitled to invoke all rights and defenses which would have been available to the owner or operator if any action had been brought against the owner or operator by the claimant and which would have been available to the guarantor if an action had been brought against the guarantor by the owner or operator.

"(d) The total liability under this Act of any guarantor shall be limited to the aggregate amount which the guarantor has provided as evidence of financial responsibility to the owner or operator under this Act: Provided, That nothing in this subsection shall be construed to limit any other State or Federal statutory, contractual or common law liability of a guarantor to its owner or operator including, but not limited to, the liability of such guarantor for bad faith either in negotiating or in failing to negotiate the settlement of any claim: Provided further, That nothing in this subsection shall be construed, interpreted or applied to diminish the liability of any person under section 107 or 111 of this Act or other applicable law.".

(b) Section 108(b)(2) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by adding the following: "Financial responsibility may be established by any one, or any combination, of the following: insurance, guarantee, surety bond, letter of credit, or qualification as a self-insurer. In promulgating requirements under this section, the President is authorized to specify policy or other contractual terms, conditions, or defenses which are necessary or are unacceptable in establishing such evidence of financial responsibility in order to effectuate the purposes of this Act.".

VICTIM ASSISTANCE DEMONSTRATION PROGRAM

SEC. 129. (a) Section 111(c) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by striking "and" at the end of the paragraph (5); by striking the period at the end of paragraph (6) and inserting in lieu thereof "; and"; and by adding the following new paragraph:

"(7) the costs of grants under subsection (m), not to exceed a total of $30,000,000 per fiscal year, to be provided out of funds received by the Trust Fund under section 303(b).".

(b) Section 111 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by adding the following new subsection:

"(m)(1) In the case of any geographic area (as identified by the Agency for Toxic Substances and Disease Registry) for which a health assessment or other health study performed under section 104(i) indicates that—

"(A) there is a disease or injury for which the population of such area is placed at significantly increased risk as a result of a release of a hazardous substance;

"(B) such disease or injury has been demonstrated by peer reviewed studies to be associated (using sound scientific and medical criteria) with exposure to a hazardous substance; and

"(C) the geographical area contains individuals within the population who have been exposed to a hazardous substance in a release,

the State in which such area is located may apply to the Administrator of the Environmental Protection Agency to operate an experimental demonstration assistance program under this subsection.

"(2) From areas nominated under paragraph (1) the President shall select, during each of fiscal years 1986 and 1987, no less than five or more than ten areas for demonstration assistance programs under this subsection. Such selections shall be made in the discretion of the President, taking into account—

"(A) the experience of State and local governments in administering programs which deal with the regulation of toxic chemicals and hazardous substances; and

"(B) the representative nature of the hazardous substance releases and exposures in terms of the identities and toxic characteristics of the substances found, the manner and degree of exposure, the scientific and medical method used to determine such exposure, and the seriousness and duration of the diseases or illnesses caused.

"(3) For each area selected under paragraph (2) the State shall establish and operate for a period of not less than three years or more than five years a program of medical assistance to individuals who, according to health assessments or other studies done under section 104(i) have been placed at significantly increased risk of disease or injury due to exposure to a hazardous substance from a release. The President shall make a grant for each such area in an amount of not less than $1,000,000 nor more than $10,000,000 per fiscal year (and a total for all such grants of not more than $30,000,000 per fiscal year), but in no event shall grants be made in fewer than five States.

"(4) Programs funded pursuant to this subsection shall not provide assistance in the case of any area or class of individuals in which a solvent responsible party who may be liable under section 107 is paying compensation for claims or otherwise providing medical assistance, comparable (though not necessarily identical in scope or duration) to assistance under this subsection. If a party has accepted liability for such claims or assistance, no assistance shall be available under this subsection even though the party may not have commenced assistance at the time of an application by a State.

"(5) A program established and operated under this subsection shall provide the following assistance:

"(A) appropriate medical screening, examination and testing (in accordance with sound medical procedures) as necessary to determine the presence in individuals of the disease or injury for which the population of the geographic area is at significantly increased risk;

"(B) for individuals with no present symptoms of such disease or injury, a group medical benefits policy providing the reasonable costs of periodic medical screening, testing or examination (in accordance with sound medical procedures), as necessary to determine the presence of such symptoms; and

"(C) for individuals with present symptoms of such disease or injury (or who develop such symptoms)—

"(i) reimbursement of the out-of-pocket costs of related medical expenses in connection with such disease or injury previously incurred and not recovered from any other public or private source, and

"(ii) a group medical benefits insurance policy providing the reasonable costs of sound medical and surgical treatment and hospitalization resulting from such disease or injury (which according to health assessments or other health studies under section 104(i), is associated with exposure to a hazardous substance in a release in the geographical area). Such a policy shall be subject to an annual deductible of $500, with no copayment requirement or annual or lifetime limitation on expenditures other than those referred to in paragraph (3).

"(D) Such policies provided under subparagraphs (B) and (C) shall be secondary to, and provide for nonduplication of benefits with, any other policy or coverage, public or private, for which such individual is eligible. The benefits or coverage of such other policy shall be those determined to be in force as of thirty days prior to the date the State applies for area designation.

"(E) Assistance under this subsection shall be provided on the condition that the costs thereof in connection with any individual pursuing a claim against a potentially responsible party shall be repaid to the Fund out of the proceeds of any award (including punitive damages) or settlement of such claim.

"(6)(A) The President, with the assistance of the Agency for Toxic Substances and Disease Registry, beginning January 1, 1987, shall submit annual reports to the Congress on the implementation and effectiveness of this victim assistance demonstration program, including an evaluation of the effectiveness of each of the State programs established under the subsection. The final report shall also address the relationship of this demonstration program to other public and private mechanisms that may exist to carry out the same or similar functions.

"(B) Each State selected to operate a demonstration program under this subsection shall submit to the President and the Congress, not later than January 1, 1990, a

hardly enough to make a dent in the soaring merchandise trade deficit, which rose $3.5 billion in the second quarter to a record $33 billion.

For years, the service sector has been able to carry larger merchandise trade deficits, but this year's record imbalance is far too high to be offset by the service sector.

Last year's current account deficit was $101.5 billion, while the figure for 1985 is expected to reach $120 billion. It has already reached $62.1 billion in the first six months of the year.

With the heavy debt to foreigners, the United States can no longer look to the inflow of interest payments from America's overseas investments to cover the trade balances. Instead, economists are concerned that U.S. interest payments to overseas investors will make it as hard to bring down the balance-of-payments deficit as it is to lower the merchandise trade deficit.

Commerce Secretary Malcolm Baldrige said in June that it appeared the United States had become a debtor nation for the first time since 1914, and yesterday's figures confirmed that. But the Commerce Department said no official confirmation will be available until the end of the year.

THE FREEDOM OF INFORMATION PUBLIC IMPROVEMENTS ACT OF 1985

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oklahoma [Mr. ENGLISH] is recognized for 5 minutes.

Mr. ENGLISH. Mr. Speaker, I am pleased to join my colleague, JERRY KLECZKA, in sponsoring the Freedom of Information Public Improvements Act of 1985, a set of FOIA amendments drafted by the Society of Professional Journalists.

As chairman of the Subcommittee on Government Information, Justice, and Agriculture, I have been actively involved with proposals to amend the FOIA. The history of FOIA legislation during the last two Congresses shows that there is tremendous controversy surrounding the FOIA. The subcommittee's hearings last year demonstrated that there is little agreement on the nature of the problems with the act. Despite this lack of agreement, I think there is some common ground and that compromise is possible.

This bill, prepared by the Society of Professional Journalists, fills an important gap in the debates over the FOIA. None of the current bills deals adequately with the problems faced by those who use the FOIA to request documents. Proposals from the Reagan administration are principally designed to allow agencies to limit the availability of government information. The business community has presented useful amendments, but these only address the procedural problems faced by submitters of confidential business information.

Some existing bills—including my own bill (H.R. 1882)—do contain provisions that would make it easier for requesters to use the FOIA. But no comprehensive package of changes to help requesters has been offered. Now with the Freedom of Information Public Improvements Act of 1985, we have a set of amendments designed to address the shortcomings of the act as viewed from the perspective of active users of the law.

I do not mean to suggest that this bill is perfect. It needs study and review as do other bills. But this proposal will provide some balance to the legislative debates and will help us to fashion a workable compromise.

I intend to begin more active consideration of FOIA legislation immediately. I will work with all interested parties to develop compromise legislation that will be acceptable to all. Hearings will be held on proposed legislation before any formal subcommittee action, but no hearings are scheduled at this time.

CODIFICATION OF TITLE 8, UNITED STATES CODE, "ALIENS AND NATIONALITY"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey [Mr. RODINO] is recognized for 5 minutes.

Mr. RODINO. Mr. Speaker, I am today introducing a bill to revise, codify, and enact without substantive change certain general and permanent laws, related to aliens and nationality, as title 8, United States Code. This bill has been prepared by the Office of the Law Revision Counsel as a part of the program of the office to prepare and submit to the Judiciary Committee of the House of Representatives, for enactment into positive law, all titles of the United States Code.

This bill makes no change in the substance of existing law.

Anyone interested in obtaining a copy of the bill and a copy of the draft report to accompany the bill should contact: Edward F. Willett, Jr., Law Revision Counsel, House of Representatives, H2-304, House Annex No. 2, Washington, DC 20515.

Persons wishing to comment on the bill should submit those comments to the Office of the Law Revision Counsel not later than October 31, 1985.

THE ARMENIAN GENOCIDE AND AMERICA'S OUTCRY

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Connecticut [Mrs. JOHNSON] is recognized for 60 minutes.

Mrs. JOHNSON. Mr. Speaker, there have been few events in history that have evoked American sympathy and concern as did the Armenian genocide in Ottoman Turkey 70 years ago. But what is generally not known by our citizens or indeed by our colleagues in the Congress is the extent of American involvement in this tragedy as early as 35 years prior to the most brutal massacres of 1915-23.

It is for the purpose of reacquainting ourselves with this forgotten period of American history that I have requested this time on the House floor. The theme of this special order—the Armenian Genocide and America's outcry—stresses the efforts of the Congress over a period of 24 years to bring about an end to the killings and offer relief to the suffering.

House Joint Resolution 192, a resolution still pending before us, would commemorate the deaths of some 1.5 million Armenians during this period. To the dismay of many of us in the Congress, there has been a concerted attempt by the present Government of Turkey to see to it that the Armenian genocide be unremembered and that this commemorative resolution be defeated.

It goes without saying that the present Republic of Turkey is a valued NATO ally and that our two countries enjoy good relations with one another. This resolution is not in any way intended to slight Turkey or even to imply that modern Turkey had any involvement whatsoever in the tragic events under the Ottoman regime. For this very reason, it is unfortunate that modern Turkey has chosen to read into the resolution that which is not there.

Those who oppose the resolution claim that it is not the role of U.S. Congress to involve itself in writing history. Mr. Speaker, our Government has a proud record of speaking out repeatedly against the crimes committed under the Ottoman regime. Dating back at least to 1880, U.S. State Department officials in the Ottoman empire witnessed the excesses visited upon the Armenian population and cabled this information back to Washington. Our own ambassadors pleaded with Ottoman officials to stop the massacres. Our Secretaries of State were constantly expressing concern about these events. Seven U.S. Presidents during three decades offered America's sympathy to the Armenian sufferers. A U.S. Federal agency—Near East Relief—was formed to channel American humanitarian relief into this troubled region.

Most importantly for our purposes, the 54th and 66th Congresses adopted resolutions expressing outrage at the atrocities and calling for relief to the stricken. The rediscovery of these resolutions is extremely important to all of us in the Congress. A vote in favor of House Joint Resolution 192 this year can now be based on precedent—the historical precedent set by those of our antecedents in this body who lived during this tragic period and were made aware on a daily basis of the events unfolding in Asia Minor.

At the time these events were taking place, it would have been unthinkable to suggest that the Armenian population of Ottoman Turkey had not been specifically targeted for mass slaughter. Yet, there are those presently in the U.S. Government who are substituting their own judgment for that of eyewitnesses and contemporaneous of-

ficials and who now declare that the history of these events is ambiguous. In 1982, the U.S. State Department issued this statement: "Because the historical record of the 1915 events in Asia Minor is ambiguous, the Department of State does not endorse allegations that the Turkish Government committed a genocide against the Armenian people." After 9 months of pressure, the Department finally said that the statement was not intended as a statement of policy, and that U.S. policy on the matter had not changed. The problem we still face is that we are left guessing as to what the U.S. policy is on this matter.

Just 2 weeks ago a U.N. Human Rights Subcommission accepted a new study which recognized the Armenian genocide. The study, entitled "Revised and Updated Report on the Question of the Prevention and Punishment of the Crime of Genocide," was opposed by the Government of Turkey because of the Armenian reference. Nonetheless, by a vote of 14 to 1 with 4 abstentions, the report was received with the Armenian genocide reference intact. The most significant aspect of the U.N. subcommittee vote was that the delegate from the United States voted in favor of accepting the report. I am encouraged that the United States gave its endorsement and I interpret this as a departure from previous attempts to cloud the history of the Armenian genocide.

There is nothing ambiguous about the Armenian genocide. The issue here is simply one of fact, and we in the Congress are seeking to affirm that which was established by prior Congresses in 1896 and 1920. We are trying to remember a very important period for all Americans. As I stated on June 4 prior to a suspension vote on House Joint Resolution 192, our ally relationship with modern Turkey must not require us to deny what is very real in the lives of our own people as a fact. We have a duty to maintain the integrity of our history and to shape U.S. policy according to that record.

Earlier this year we were shaken by the visit to the Bitburg Cemetery and its implications regarding the rewriting of history at the request of a NATO ally. We should be equally troubled by the revisionism taking place surrounding the Armenian genocide. The Congress can ill afford to be viewed as willing to denigrate the judgment of two prior Congresses and to deny American history. On the contrary, we should take great pride in the unprecedented outpouring of sympathy and material support for those Armenians who suffered, just as we have embraced the causes of the African famine and the Cambodian tragedy in recent years.

Above all, we have an obligation to remember events such as the Armenian genocide, so that future perpetrators do not read our unremembering as a willingness to turn a blind eye toward mass human destruction.

Mr. Speaker, at this time I yield to my colleague from California [Mr. PASHAYAN].

Mr. PASHAYAN. I thank the gentlewoman for yielding and for her remarks on this whole subject. Mr. Speaker, I thank Congresswoman JOHNSON for reserving the time for this special order today. I think it is critical that our colleagues be made aware of the level of congressional involvement in the issue of the Armenian genocide prior to and at the time the atrocities were taking place. In order for us to vote responsibly on the resolution before us in this Congress, we must take into account the actions taken by the Congresses in place then.

I am struck by the revelation today that the 54th Congress adopted a resolution in 1896 deploring what it referred to as the Armenian outrages by Ottoman Turkey. The rediscovery of this resolution is historic. It proves what many of us have been saying all along—that the U.S. Congress recognized the atrocities committed against the Armenian people at the time they were taking place. This recognition is underscored by the clause in the resolution that reads: "Whereas the American people, in common with all Christian people everywhere, have beheld with horror the recent appalling outrages and massacres of which the Christian population of Turkey have been made victims". The 54th Congress went even further by calling for decisive measures to be taken "to stay the hand of fanaticism and lawless violence."

Twenty-four years later, the Congress was still profoundly concerned about the fate of the Armenians in Ottoman Turkey. The 5 years from 1915 to 1920, during which the greatest destruction of the Armenian population took place, moved the Senate to adopt Senate Resolution 359, introduced by then-Senator Warren G. Harding. While the resolved clause of the resolution extends congratulations to the newly formed independent Armenian republic that had been formed after the war, the first two whereas clauses demonstrate recognition by the Senate of the atrocities that had taken place. Those clauses read:

Whereas the testimony adduced at the hearings conducted by the subcommittee of the Senate Committee on Foreign Relations have clearly established the truth of the reported massacres and other atrocities from which Armenian people have suffered; and

Whereas the people of the United States are deeply impressed by the deplorable conditions of insecurity, starvation, and misery now prevalent in Armenia; and

Whereas the independence of the Republic of Armenia has been duly recognized by the Supreme Council of the Peace Conference and by the Government of the United States of America: Therefore be it

Resolved, That the sincere congratulations of the Senate of the United States are hereby extended to the people of Armenia on the recognition of the independence of the Republic of Armenia, without prejudice respecting the territorial boundaries involved; and be it further

Resolved, That the Senate of the United States hereby expresses the hope that stable government, proper protection of individual liberties and rights, and the full realization of nationalistic aspirations may soon be attained by the Armenian people; and be it further

Resolved, That in order to afford necessary protection for the lives and property of citizens of the United States at the port of Batum and along the line of the railroad leading to Baku, the President is hereby requested, if not incompatible with the public interest, to cause a United States warship and force of Marines to be dispatched to such port with instructions to such Marines to disembark and to protect American lives and property.

This year, some 89 years after Congress first recognized the destruction of the Armenians, we are asked simply to commemorate this event by passing House Joint Resolution 192. Amazingly, there are a few individuals in the Congress who say we should defeat this resolution because these events did not take place. There are some in Congress who say we should defeat this resolution because Congress should not write history. We say to those Members that passage of House Joint Resolution 192 would in fact be an affirmation by the Congress of its own record of 89 years. A call for the defeat of House Joint Resolution 192 is in fact a rewriting of our history, the kind we normally associate only with the most undesirable of motivations.

A very important point that needs to be stressed is that House Joint Resolution 192 deals only with a fact of Armenian history. It is not an attempt to change history in any way. Nor is it an attempt to allocate blame. The amendment I introduced to clarify that the Armenian genocide took place during the Ottoman regime was an effort to make clear that the present Government of Turkey had nothing to do with the atrocities.

We have an obligation to listen to the voices of our predecessors in the 54th and 66th Congresses. We are obligated to respect their contemporaneous judgment and to remember with pride and gratitude their attempts to raise national consciousness about the atrocities against the Armenian people. If we are to maintain our credibility as a body of fair-minded individuals we must not turn our backs on our own congressional history. We must approve House Joint Resolution 192 when it returns to the floor for a vote.

Mr. Speaker, I would ask the gentlewoman whether, in her opinion, the resolution in any way would damage the defense structure of NATO?

ment, or order to take such action as may be necessary to correct the violation or to apply appropriate civil penalties under this Act: Provided, however, That no district court shall have jurisdiction under this section to review any challenges to response action selected under section 104 or any order issued under section 104, or to review any order issued under section 106(a).

"(b) No action may be commenced under subsection (a) of this section (1) prior to ninety days after the plaintiff has given notice of the violation or disposal (A) to the President; or (B) to the State in which the alleged violation or disposal occurs; and (C) to any alleged violator of a standard, regulation, condition, requirement, or order; or (2) if the President or State has commenced and is diligently prosecuting an action under this Act or the Solid Waste Disposal Act to require compliance with such standard, regulation, condition, requirement, or order.

"(c) In any action commenced by the President or a State, under this Act or under the Solid Waste Disposal Act, in a court of the United States, any person may intervene as a matter of right when the applicant claims an interest relating to the subject of the action and such applicant is so situated that the disposition of the action may, as a practical matter, impair or impede such applicant's ability to protect that interest, unless the President or the State shows that the applicant's interest is adequately represented by existing parties.

"(d) In any action under this section, the United States or the State may intervene as a matter of right.

"(e) The court, in issuing any final order in any action brought pursuant to this section, may award costs of litigation (including reasonable attorney and expert witness fees) to the prevailing or the substantially prevailing party whenever the court determines such an award is appropriate. The court may, if a temporary restraining order or preliminary injunction is sought, require the filing of a bond or equivalent security in accordance with the Federal Rules of Civil Procedure.

"(f) Nothing in this Act shall restrict or expand any right which any person (or class of persons) may have under any Federal or State statute or common law to seek enforcement of any standard or requirement relating to hazardous substances or to seek any other relief (including relief against the President or a State agency).".

ADMINISTRATIVE CONFERENCE RECOMMENDATION

SEC. 139. The Congress finds that recommendation 84-4 of the Administrative Conference of the United States (adopted June 29, 1984) is generally consistent with the goals and purposes of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, and that the Administrator should consider such recommendation and implement it to the extent that the Administrator determines that such implementation will expedite the cleanup of hazardous substances which have been released into the environment.

[AUTHORIZATION OF APPROPRIATIONS

[SEC. 140. (a) Section 221 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended by striking "as provided in this section" in subsection (a); striking paragraphs (2) and (3) of subsection (b); and by striking subsection (c).

[(b) Section 303 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended to read as follows:

["AUTHORIZATION OF APPROPRIATIONS

["SEC. 303. (a) The authority to collect taxes under chapter 38 of the Internal Revenue Code of 1954, together with the sums authorized to be appropriated under subsection (b), shall total $7,500,000,000 during the five-fiscal-year period beginning October 1, 1985.

["(b) There are hereby authorized to be appropriated, out of any money in the Treasury not otherwise appropriated, to the Response Trust Fund for fiscal year—

["(A) 1981, $44,000,000,
["(B) 1982, $44,000,000,
["(C) 1983, $44,000,000,
["(D) 1984, $44,000,000,
["(E) 1985, $44,000,000,
["(F) 1986, $206,000,000,
["(G) 1987, $206,000,000,
["(H) 1988, $206,000,000,
["(I) 1989, $206,000,000, and
["(J) 1990, $206,000,000,

plus for each fiscal year an amount equal to so much of the aggregate amount authorized to be appropriated under subparagraphs (A) through (I) as has not been appropriated before the beginning of the fiscal year involved.".

["(b) TRANSFER OF FUNDS.—There shall be transferred to the Response Trust Fund—

["(1) one-half of the unobligated balance remaining before the date of the enactment of this Act under the Fund in section 311 of the Clean Water Act, and

["(2) the amounts appropriated under section 504(b) of the Clean Water Act during any fiscal year.

["(c) EXPENDITURES FROM RESPONSE TRUST FUND.—

["(1) IN GENERAL.—Amounts in the Response Trust Fund shall be available in connection with releases or threats of releases of hazardous substances into the environment only for purposes of making expenditures which are described in section 111 (other than subsection (j) thereof of this Act) as in effect on the date of the enactment of the Superfund Improvement Act of 1985, including—

["(A) response costs,
["(B) claims asserted and compensable but unsatisfied under section 311 of the Clean Water Act,
["(C) claims for injury to, or destruction or loss of, natural resources, and
["(D) related costs described in section 111(c) of this Act.

["(2) LIMITATIONS ON EXPENDITURES.—At least 85 per centum of the amounts appropriated to the Response Trust Fund shall be reserved—

["(A) for the purposes specified in paragraphs (1), (2), and (4) of section 111(a) of this Act, and
["(B) for the repayment of advances made under section 223(c), other than advances subject to the limitation of section 223(c)(2)(C).".]

TITLE II

[TAX EXEMPTION FOR ANIMAL FEED SUBSTANCES

[SEC. 201. (a) EXEMPTION FOR SUBSTANCES USED IN THE PRODUCTION OF ANIMAL FEED.—Subsection (b) of section 4662 of the Internal Revenue Code of 1954 (relating to definitions and special rules with respect to the tax on certain chemicals) is amended by adding at the end thereof the following paragraph:

["(5) SUBSTANCES USED IN THE PRODUCTION OF ANIMAL FEED.—

["(A) IN GENERAL.—In the case of nitric acid, sulfuric acid, phosphoric acid, ammonia, or methane used to produce ammonia, which is a qualified animal feed substance, no tax shall be imposed under section 4661(a).

["(B) QUALIFIED ANIMAL FEED SUBSTANCE.—For purposes of this section, the term 'qualified animal feed substance' means any substance—

["(i) used in a qualified animal feed use by the manufacturer, producer or importer,
["(ii) sold for use by any purchaser in a qualified animal feed use, or
["(iii) sold for resale by any purchaser for use, or resale for ultimate use, in a qualified animal feed use.

["(C) QUALIFIED ANIMAL FEED USE.—The term 'qualified animal feed use' means any use in the manufacture or production of animal feed or animal feed supplements, or of ingredients used in animal feed or animal feed supplements.

["(D) TAXATION OF NONQUALIFIED SALE OR USE.—For purposes of section 4661(a), if no tax was imposed by such section on the sale or use of any chemical by reason of subparagraph (A), the first person who sells or uses such chemical other than in a sale or use described in subparagraph (A) shall be treated as the manufacturer of such chemical.".

[(b) REFUND OR CREDIT FOR SUBSTANCES USED IN THE PRODUCTION OF ANIMAL FEED.—Subsection (d) of section 4662 (relating to refunds and credits with respect to the tax on certain chemicals) is amended by adding at the end thereof the following new paragraph:

["(3) USE IN THE PRODUCTION OF ANIMAL FEED.—Under regulations prescribed by the Secretary, if—

["(A) a tax under section 4661 was paid with respect to nitric acid, sulfuric acid, phosphoric acid, ammonia, or methane used to produce ammonia, without regard to subsection (b)(5), and
["(B) any person uses such substance as a qualified animal feed substance,

then an amount equal to the excess of the tax so paid over the tax determined with regard to subsection (b)(5) shall be allowed as a credit or refund (without interest) to such person in the same manner as if it were an overpayment of tax imposed by this section.".

[(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) of this section shall take effect upon the date of enactment of this Act.]

AMENDMENTS OF THE INTERNAL REVENUE CODE OF 1954

SEC. 201. SHORT TITLE; AMENDMENT OF 1954 CODE.

(a) SHORT TITLE.—This title may be cited as the "Superfund Revenue Act of 1985".

(b) AMENDMENT OF 1954 CODE.—Except as otherwise expressly provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1954.

SEC. 202. 5-YEAR EXTENSION OF TAX ON PETROLEUM AND CERTAIN CHEMICALS; CERTAIN EXEMPTIONS.

(a) 5-YEAR EXTENSION; TERMINATION IF FUNDS UNSPENT OR $7,500,000,000 COLLECTED.—

(1) IN GENERAL.—Subsection (d) of section 4611 (relating to termination) is amended to read as follows:

"(d) TERMINATION.—

"(1) IN GENERAL.—Except as otherwise provided in this section, the tax imposed by this subsection shall not apply after September 30, 1990.

"(2) NO TAX IF UNOBLIGATED BALANCE IN FUND IS MORE THAN $1,500,000,000.—If, on September 30, 1988, or September 30, 1989—

"(A) the unobligated balance in the Hazardous Substance Superfund exceeds $1,500,000,000, and

"(B) the Secretary, after consultation with the Administrator of the Environmental Protection Agency, determines that such unobligated balance will exceed $1,500,000,000 on September 30, 1989, or September 30, 1990, respectively, if no tax is imposed under section 4001, 4611, or 4661 during calendar year 1989 or 1990, respectively,

then no tax shall be imposed under this section during calendar year 1989 or 1990, as the case may be.

"(3) NO TAX IF AMOUNTS COLLECTED EXCEED $7,500,000,000.—

"(A) ESTIMATES BY SECRETARY.—The Secretary as of the close of each calendar quarter (and at such other times as the Secretary determines appropriate) shall make an estimate of—

"(i) the amount of taxes which will be collected under sections 4001, 4611, and 4661 and credited to the Hazardous Substance Superfund, and

"(ii) the amount of interest which will be credited to such Fund under section 9602(b)(3),

during the period beginning October 1, 1985, and ending September 30, 1990.

"(B) TERMINATION IF $7,500,000,000 CREDITED BEFORE SEPTEMBER 30, 1990.—If the Secretary estimates under subparagraph (A) that more than $7,500,000,000 will be credited to the Fund before September 30, 1990, no tax shall be imposed under this section after the date on which the Secretary estimates $7,500,000,000 will be so credited to the Fund.

"(4) PROCEDURES FOR TERMINATION.—The Secretary shall by regulation provide procedures for the termination under paragraph (2) or (3) of the tax under this section and section 4661.".

(2) CONFORMING AMENDMENT.—Section 303 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (relating to expiration of revenue provisions) is repealed.

(b) EXEMPTION FOR EXPORTS OF TAXABLE CHEMICALS.—

(1) IN GENERAL.—Section 4662 (relating to definitions and special rules) is amended by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) EXEMPTION FOR EXPORTS OF TAXABLE CHEMICALS.—

"(1) TAX-FREE SALES.—

"(A) IN GENERAL.—No tax shall be imposed under section 4661 on the sale by the manufacturer or producer of any taxable chemical for export, or for resale by the purchaser to a second purchaser for export.

"(B) PROOF OF EXPORT REQUIRED.—Rules similar to the rules of section 4221(b) shall apply for purposes of subparagraph (A).

"(2) CREDIT OR REFUND WHERE TAX PAID.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), if—

"(i) a tax under section 4661 was paid with respect to any taxable chemical, and

"(ii) such chemical was exported by any person,

credit or refund (without interest) of such tax shall be allowed or made to the person who paid such tax.

"(B) CONDITION TO ALLOWANCE.—No credit or refund shall be allowed or made under subparagraph (A) unless the person who paid the tax establishes that such person—

"(i) has repaid or agreed to repay the amount of the tax to the person who exported the taxable chemical, or

"(ii) has obtained the written consent of such exporter to the allowance of the credit or the making of the refund.

"(3) REGULATIONS.—The Secretary shall prescribe such regulations as may be necessary to carry out the purposes of this subsection.".

(2) REFUND OR CREDIT.—Paragraph (1) of section 4662(d) (relating to refund or credit for certain uses) is amended—

(A) by striking out "the sale of which by such person would be taxable under such section" in subparagraph (B) and inserting in lieu thereof "which is a taxable chemical", and

(B) by striking out "imposed by such section on the other substance manufactured or produced" in the last sentence and inserting in lieu thereof "imposed by such section on the other substance manufactured or produced (or which would have been imposed by such section on such other substance but for subsection (e) of this section)".

(c) EXEMPTION FOR CERTAIN RECYCLED CHEMICALS.—

(1) IN GENERAL.—Section 4662(b) (relating to exceptions and other special rules) is amended by adding at the end thereof the following new paragraph:

"(7) RECYCLED CHROMIUM, COBALT, AND NICKEL.—

"(A) IN GENERAL.—No tax shall be imposed under section 4661(a) on any chromium, cobalt, or nickel which is diverted or recovered from any solid waste as part of a recycling process (and not as part of the original manufacturing or production process).

"(B) EXCEPTION FOR IMPORTS.—This paragraph shall not apply to the sale of any chromium, cobalt, or nickel which is diverted or recovered outside the United States and then imported into the United States.

"(C) CERTAIN PERSONS NOT ELIGIBLE.—

"(i) IN GENERAL.—This paragraph shall not apply to any taxpayer during any period during which the taxpayer is a potentially responsible party for a site which is listed on the National Priorities List published by the Environmental Protection Agency under section 105 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, except that such period shall not begin until the Administrator of the Environmental Protection Agency notifies the taxpayer that the taxpayer is such a party.

"(ii) EXCEPTION WHERE TAXPAYER IS IN COMPLIANCE.—Clause (i) shall not apply to any portion of the period during which the taxpayer is in compliance with each order, decree, or judgment issued against the taxpayer with respect to the site in any action or proceeding under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, the Solid Waste Disposal Act, or both.

"(D) SOLID WASTE.—For purposes of this paragraph, the term 'solid waste' has the meaning given such term by section 1004 of the Solid Waste Disposal Act, except that such term shall not include any byproduct, coproduct, or other waste from any process of smelting, refining, or otherwise extracting any metal.".

(2) CREDIT OR REFUND.—Paragraph (1) of section 4662(d), as amended by subsection (b)(2), is amended by inserting "(b)(7) or" before "(e)" in the last sentence thereof.

(d) TAX EXEMPTION FOR ANIMAL FEED SUBSTANCES.—

(1) IN GENERAL.—Subsection (b) of section 4662 (relating to definitions and special rules with respect to the tax on certain chemicals), as amended by subsection (c)(1), is amended by adding at the end thereof the following paragraph:

"(8) SUBSTANCES USED IN THE PRODUCTION OF ANIMAL FEED.—

"(A) IN GENERAL.—In the case of nitric acid, sulfuric acid, ammonia, or methane used to produce ammonia, which is a qualified animal feed substance, no tax shall be imposed under section 4661(a).

"(B) QUALIFIED ANIMAL FEED SUBSTANCE.—For purposes of this section, the term 'qualified animal feed substance' means any substance—

"(i) used in a qualified animal feed use by the manufacturer, producer or importer,

"(ii) sold for use by any purchaser in a qualified animal feed use, or

"(iii) sold for resale by any purchaser for use, or resale for ultimate use, in a qualified animal feed use.

"(C) QUALIFIED ANIMAL FEED USE.—The term 'qualified animal feed use' means any use in the manufacture or production of animal feed or animal feed supplements, or of ingredients used in animal feed or animal feed supplements.

"(D) TAXATION OF NONQUALIFIED SALE OR USE.—For purposes of section 4661(a), if no tax was imposed by such section on the sale or use of any chemical by reason of subparagraph (A), the first person who sells or uses such chemical other than in a sale or use described in subparagraph (A) shall be treated as the manufacturer of such chemical.".

(2) REFUND OR CREDIT FOR SUBSTANCES USED IN THE PRODUCTION OF ANIMAL FEED.—Subsection (d) of section 4662 (relating to refunds and credits with respect to the tax on certain chemicals) is amended by adding at the end thereof the following new paragraph:

"(3) USE IN THE PRODUCTION OF ANIMAL FEED.—Under regulations prescribed by the Secretary, if—

"(A) a tax under section 4661 was paid with respect to nitric acid, sulfuric acid, ammonia, or methane used to produce ammonia, without regard to subsection (b)(5), and

"(B) any person uses such substance as a qualified animal feed substance,

then an amount equal to the excess of the tax so paid over the tax determined with regard to subsection (b)(5) shall be allowed as a credit or refund (without interest) to such person in the same manner as if it were an overpayment of tax imposed by this section.".

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

SEC. 203. IMPOSITION OF SUPERFUND EXCISE TAX.

(a) IN GENERAL.—Subtitle D (relating to miscellaneous excise taxes) is amended by inserting before chapter 31 the following new chapter:

"CHAPTER 30—SUPERFUND EXCISE TAX

"SUBCHAPTER A—IMPOSITION OF TAX

was an act of deliberate sabotage, that some people obviously mad, obviously insane, attempted to poison that whole town.

The implications of this are horrendous. Obviously, a salad bar is a place where anyone can approach the food that other people are going to eat, very easily and without suspicion. If you went into a restaurant kitchen and tried to poison the food in the kitchen, you might be caught and certainly be seen.

Any person can pass through a salad bar, getting their own food, and it would not be difficult to sprinkle salmonella bacteria in the dressing or on the lettuce; and this is obviously what happened.

I asked the FBI for an investigation; I alerted the authorities in the State, and of course the health authorities had done an intensive investigation of it, but had come to no conclusion. As a matter of fact, they thought it was the food handlers. Well, the food handlers, that is nonsense. Salmonella is not passed around by people; it is ingested in food.

I tried to wake the Nation and my State to this terrible situation, because somebody was out there, somebody was out there who was willing to take the lives of an entire town; 10,000 population in their hands and threaten them. Can you imagine?

Can you imagine the poisoning of a city's water supply? Well, this was the same thing. The poisoning of in effect the city's food supply.

Now at the same time that I made that speech on the floor of the House, describing this deliberate poisoning of The Dalles, I put also some paragraphs about a religious cult that has established itself in the southern part of Wasco County in a ranch there, a large ranch called the Big Muddy Ranch. This religious cult is called the Rajneesh, after its guru called the Bagwan Shree Rajneesh, about 3,000 people adherence to the cult live there now.

At the time of the poisoning of The Dalles, the Rajneeshis were bringing in from all over the Nation street people; the poor unfortunates who were here in Washington, DC, for example, living on the streets, nor busing them into Rajneeshpuram—that is the city that they established in the Big Muddy Ranch.

We thought they were bringing them there to vote them in the election; because the Rajneeshis has said they would like to take over the county of Wasco because they were in some arguments and conflicts with the county over building permits and other things; and indeed we think they were going to try to vote these street people, although when it came down to it, such an uproar occurred in Oregon that they ended up not voting the street people, and things quieted down.

There was really warfare between the people of Wasco County and the Rajneeshis at the time. Ma Anand Sheela, their leader, the personal secretary to the Bhagwan, said on the very weekend of the major outbreak of salmonella in The Dalles, was quoted in the press—I have actually seen her on television making these statements—she said: "If one of us goes, we will kill 15 Oregonians." She said: "We will have the heads of 15 Oregonians," and this was repeated.

So there was war between the Rajneeshis and the people of Oregon and the people of Wasco County, and so I thought that was certainly a motive that they would have for poisoning this entire town, as horrendous an act as that was.

I had no concrete evidence, although my investigation led me to believe that it was likely the Rajneeshis had done it; I had no evidence, but I just put in a speech that day last March: "The Goings On in Rajneeshpuram," with the street people and the statements of Ma Anand Sheela, so that the authorities would be alerted.

Can you imagine if this would happen in other towns of our country, if mad people of any stripe decided to do the same thing? It could disrupt our entire society.

□ 1455

So I thought that we should act swiftly. I felt that the information I had I could not live with unless I related it, so I made that speech.

I continued my investigation. I had never had a doubt in my mind that the town of The Dalles was poisoned by salmonella, and I never really had a doubt in my mind that the Rajneeshees or some of them, did it. It would have taken 8, 10, or 12 people to conduct this salmonella poisoning in that week in The Dalles, and I assumed it was probably the leaders of the Rajneesh cult.

So the authorities told me that it was difficult to solve something like this without an informer. I called a press conference shortly after my speech and I said that it would require a stool pigeon to really solve this, what I believe to be, a crime.

Last night, at a press conference in Rajneeshpuram, the leader of the sect—I would never have guessed this—the Bhagwan Shree Rajneesh himself, the guru, accused his followers, some of his followers, who have absconded to Europe just this weekend, with committing the act of salmonella poisoning in The Dalles. He should know. I do not know whether he was a party to it or not, but he should certainly know, and he has accused his followers. So although I never had a doubt in my mind that it was done and that they did it, I can tell you that it is good to be vindicated. I was accused in Oregon of being too rash. I am very careful. I make thorough investigations before I take on anything, particularly of this nature, and I am pretty sure of myself. And now the Bhagwan Shree Rajneesh has accused certain of his cult associates not only of the salmonella poisoning in The Dalles but the bombing in the Hotel Portland that they own, an act that I figured they had done, as well, the burning of an office in the courthouse at The Dalles, an act that we thought they had done as well.

Now, what happened was that this weekend, Ma Anand Sheela, a 35-year-old women, who was a spokesperson for the Rajneeshees, and has been for several years and personal secretary to the Bhagwan, she left, and hurriedly. Her husband and children are already in Europe. And the Bhagwan thinks that she took around $55 million with her or has salted it away in Swiss bank accounts already. That kind of money this cult has. They have invested almost $110 million in the Rajneeshpuram establishment now. So I would not doubt that we are talking about that kind of money. Some people may think that stealing $55 million is a worse crime. And I agree that it is a pretty rough crime. But I have to emphasize that the poisoning of an entire town, think of that vicious act, that horrendous act, how vulnerable we are to people like this. And so I believe it is the salmonella poisoning of The Dalles that we should find the evidence from the Bhagwan, indict, these people who have absconded to Europe, extradite them, prosecute them and, if proven guilty in a court of law, give them severe punishment.

The people who left with Ma Anand Sheela include the Rajneeshpuram Mayor, Swami Krishna Deva. He is a young man who first attracted my attention to this cult. I saw him on television a couple years ago, and he was looking into the camera and he said, "We don't want to take over Oregon, but if we have to, we will take over Oregon." I did not like that statement at all. And instead of just being bemused by this cult that wore red robes and a picture of the Bhagwan around their necks and danced around and threw flowers, I began to see these people as dangerous people.

I wrote the mayor, Swami Krishna Deva, who is one of those who has now absconded to Europe, and I asked him what he meant by, "We don't want to take over Oregon, but we will take over Oregon."

He said, "We already have taken over Oregon. We have done it with joy and love."

Yes, Mayor Krishna Deva, you certainly did. You took over Oregon for a while, with hatred and crime. That is

what you did. And the people of Oregon, who were accused of being bigots and intolerant, have been vindicated, as well, because the people of Oregon saw these people as dangerous and evil, and they were right, they were right. I do not want to see religious intolerance, and I will oppose it at any time. I am one of the most tolerant people that you can find. But when good men refuse to act when they see evil, then we are all in trouble. And I saw evil in this religious cult.

So, among the others who absconded to Europe was the Rajneesh Foundation International treasuer, Ma Shanti Bhadra. I wrote Ma Shanti Bhadra in April and I asked her if she knew anything about the salmonella poisoning in The Dalles. I though I was being fair. I had asked everyone else if they knew anything about it. I did not want to select out the Rajneeshees as if they were already proven quilty, and I said, "If you know anything about it, I would like to know. Help us in our investigation."

I received this letter in return. It is on stationery called Rajneesh Medical Corp.

One of the things I had said in my investigation was that anybody can produce salmonella, just set a couple chickens out in the back yard for a couple of days in the Sun, you will probably get salmonella in them. But it is very helpful to have a medical laboratory and careful measuring devices in order to get just the right amounts and easily transport them and put them in salad bars, to bring down illness upon an entire town.

So I said the Rajneeshees had a medical laboratory, and was it not an interesting coincidence and convenience.

Well, this letter, under the stationery letterhead "Rajneesh Medical Corp., P.O. Box 8, Rajneeshpuram, OR" it says:

JIM WEAVER,
Congressman, Fourth District.

BELOVED MR. WEAVER: Love.

Your letter abounds with the same kind of stupidities as all your other statements on this issue up until now. After accusing persons in this community and this corporation in particular of deliberately poisoning hundreds of people, you have the nerve to write to ask our assistance in uncovering a mystery which has already been investigated by every appropriate county, State and Federal agency. They found no evidence of sabotage.

Well, they should have. I certainly did.

Good for Ma Shanti Bhadra.

Beloved Mr. Weaver. Love. Your letter abounds with . . . stupidities . . .

As I say, Ma Shanti Bhadra is one of those who has absconded to Europe, apparently with the guru's $55 million.

Others have gone, too. Ma Anand Puja, Ma Prem Savita, Ma Deva Rika, Ma Prem Patipada, Ma Anand Durga, Ma Prem Homa. They are called the dowager duchesses of Rajneeshland. They are "wonderful" people. They are just "wonderful" people.

□ 1505

Now, the truth is out. The truth is out. The Bhagwan has had his top cadres, his top people, those who led this frightening organization down their path of crime; it has made him angry, and so now he has accused these, Ma Anand Sheela, Ma Shanti Bhadra, the very ones who called the people of Oregon bigots. They denied any knowledge of these crimes and called us bigots for even thinking they might have done it. Their guru, the top boy has turned stool pidgeon on them, and has accused them of the salmonella poisoning in The Dalles, and he should know; he should know. He has accused them as well of arson, wire tapping, and bombing and taking the money and putting it in Swiss bank accounts. It was their money I guess; I do not know how they got it.

The Bhagwan you know has 80 Rolls Royces. I flew over the Rolls Royces in a helicopter, or rather Rajneeshpuram in a helicopter. I saw them. A real nice place. It is nice to have 80 Rolls Royces. I am not quite sure why he would want that many.

The reason I was over there flying over Rajneeshpuram in a helicopter, a Bureau of Land Management helicopter, is that I was investigating the land swap that was proposed between the Bureau of Land Management and the Rajneeshies. I find absolutely nothing wrong with the actions of the Bureau of Land Management. They have been trying to make this land swap for a number of years, well before the Rajneeshies came and settled at the Big Muddy Ranch.

They continued, the BLM, to see it in the public interest, and from their point of view, it still was. What they did not see and what I had not seen until I got over there to make my investigation was that the whole complexion of the land had changed. Now we had a city there of thousands of people. These are huge, rolling hills. There are ravines and canyons. The country is magnificient but very difficult to live in and ranch. They had built this city there.

The real estate values had changed, and the land that the Rajneeshies would have received for the land that they would give up to the BLM in the checkerboard configurations of land in those areas, was the critical land along the John Day River. One of the great rivers of Oregon. Land that gave them access to other developable areas, and had they been able to get this land from the BLM, they would have been able to develop a much larger city; put huge developments along the John Day River.

Now, some people have pointed out that Oregon has land use laws to prohibit that kind of thing; indeed we do. But you have got to remember, if an individual owned the Big Muddy Ranch, sure, he would be bound by those land-use laws. But the city, an official city of Oregon, Rajneeshpuram, owned that land in effect. And a city creates its own zoning laws. It must win a lawsuit, which they probably will, first, but that lawsuit they tell me is almost certainly to go the way of the Rajneeshies.

If that is the case, the Rajneeshies could have developed that land without many problems, and they could have put tens of thousands of housing units there along the John Day River. I suddenly saw that, flying over in a helicopter and boating the John Day and walking along it. Climbing the mountains there and looking down on it. I said, my gosh, this is a huge real estate development. It is not just swapping bare land, arid desert land, for more arid desert land. It is now swapping arid desert land for prime real estate development land.

Most importantly, it could threaten the environmental quality of the John Day River, one of the great rivers. Deep canyons; we are making wildernesses out of some of the areas. The State of Oregon had condemned the ranches across the river from Rajneeshpuram just because they were afraid it would be developed and detract from the John Day River horrendously.

So I called up the Bureau of Land Management and I said, "Look, this land swap, I did support it earlier, but I do not any more. It is a terrible thing. I will hold a hearing, I am chairman of the General Oversight Committee of the Interior Committee. I will hold a hearing and show that this land is worth tens of millions of dollars more than you are getting." The BLM saw the light immediately, and immediately canceled the proposed land swap and I commend the BLM for this. They went into this honestly, and when they saw the implications, they immediately canceled the proposed land swap.

I wonder, this is just pure speculation, but I wonder if these dowager duchesses, Ma Anand Sheela and Ma Shanti Bhadra and others who absconded to Europe with all those millions of dollars, I wonder if perhaps if they were waiting for that land swap and, because they saw the tens of millions of dollars they could make from that real estate development, and when it was blown up, when I blew up that land swap, they said, "OK, nothing here for us anymore, we are going to take off." Because it was just what? Ten days after the land swap was withdrawn that these Rajneesh lead-

priated to the Response Trust Fund shall be reserved—

"(A) for the purposes specified in paragraphs (1), (2), and (4) of section 111(a) of CERCLA, and

"(B) for the repayment of advances made under subsection (d), other than advances subject to the limitation of subsection (d)(2)(B).

"(d) AUTHORITY TO BORROW.—

"(1) IN GENERAL.—There are authorized to be appropriated to the Superfund, as repayable advances, such sums as may be necessary to carry out the purposes of the Superfund.

"(2) LIMITATIONS ON ADVANCES TO SUPERFUND.—

"(A) AGGREGATE ADVANCES.—The maximum aggregate amount of repayable advances to the Superfund which is outstanding at any one time shall not exceed an amount which the Secretary estimates will be equal to the sum of the amounts described in paragraph (1) of subsection (b) which will be transferred to the Superfund during the following 12 months.

"(B) ADVANCES FOR CERTAIN COSTS.—The maximum aggregate amount advanced to the Superfund which is outstanding at any one time for purposes of paying costs other than costs described in section 111 (a)(1), (2), or (4) of CERCLA shall not exceed 15 percent of the amount of the estimate made under subparagraph (A).

"(C) FINAL REPAYMENT.—No advance shall be made to the Superfund after September 30, 1990, and all advances to such Fund shall be repaid on or before December 31, 1990.

"(3) REPAYMENT OF ADVANCES.—

"(A) IN GENERAL.—Advances made pursuant to this subsection shall be repaid, and interest on such advances shall be paid, to the general fund of the Treasury when the Secretary determines that moneys are available for such purposes in the Superfund (or when required by paragraph (2)(C)).

"(B) RATE OF INTEREST.—Interest on advances made pursuant to this subsection shall be at a rate determined by the Secretary of the Treasury (as of the close of the calendar month preceding the month in which the advance is made) to be equal to the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the anticipated period during which the advance will be outstanding and shall be compounded annually.

"(e) LIABILITY OF UNITED STATES LIMITED TO AMOUNT IN TRUST FUND.—

"(1) GENERAL RULE.—Any claim filed against the Superfund may be paid only out of the Superfund.

"(2) COORDINATION WITH OTHER PROVISIONS.—Nothing in CERCLA or the Superfund Improvement Act of 1985 (or in any amendment made by either of such Acts) shall authorize the payment by the United States Government of any amount with respect to any such claim out of any source other than the Superfund.

"(3) ORDER IN WHICH UNPAID CLAIMS ARE TO BE PAID.—If at any time the Superfund is unable (by reason of paragraph (1)) to pay all of the claims payable out of the Superfund at such time, such claims shall, to the extent permitted under paragraph (1), be paid in full in the order in which they were finally determined.".

(b) CONFORMING AMENDMENTS.—

(1) Subtitle B of the Hazardous Substance Response Revenue Act of 1980 (relating to establishment of Hazardous Substance Response Trust Fund) is hereby repealed.

(2) Paragraph (11) of section 101 of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 is amended to read as follows:

"(11) 'Fund' or 'Trust Fund' means the Hazardous Substance Superfund established by section 9505 of the Internal Revenue Code of 1954;".

(c) CLERICAL AMENDMENT.—The table of sections for subchapter A of chapter 98 is amended by adding at the end thereof the following new item:

"Sec. 9505. Hazardous Substance Superfund."

(d) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendments made by this section shall take effect on October 1, 1985.

(2) SUPERFUND TREATED AS CONTINUATION OF OLD TRUST FUND.—The Hazardous Substance Superfund established by the amendments made by this section shall be treated for all purposes of law as a continuation of the Hazardous Substance Response Trust Fund established by section 221 of the Hazardous Substance Response Revenue Act of 1980. Any reference in any law to the Hazardous Substance Response Trust Fund established by such section 221 shall be deemed to include (wherever appropriate) a reference to the Hazardous Substance Superfund established by the amendments made by this section.

SEC. 205. REPEAL OF POST-CLOSURE TAX AND TRUST FUND.

(a) REPEAL OF TAX.—

(1) Subchapter C of chapter 38 (relating to tax on hazardous wastes) is hereby repealed.

(2) The table of subchapters for such chapter 38 is amended by striking out the item relating to subchapter C.

(b) REPEAL OF TRUST FUND.—Section 232 of the Hazardous Substance Response Revenue Act of 1980 is hereby repealed.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 1985.

SEC. 206. INDUSTRIAL DEVELOPMENT BONDS FOR HAZARDOUS WASTE TREATMENT FACILITIES.

(a) IN GENERAL.—Paragraph (4) of section 103(b) (relating to certain exempt activities) is amended—

(1) by inserting ", facilities subject to final permit requirements under subtitle C of title II of the Solid Waste Disposal Act for the treatment of hazardous waste," after "solid waste disposal facilities" in subparagraph (E), and

(2) by adding at the end thereof the following new sentence: "For purposes of subparagraph (E), the terms 'treatment' and 'hazardous waste' have the meanings given to such terms by section 1004 of the Solid Waste Disposal Act.".

SEC. 207. REPORT ON METHODS OF FUNDING SUPERFUND.

Not later than January 1, 1988, the Comptroller General of the United States or his delegate shall study and report to the Committee on Finance of the Senate and the Committee on Ways and Means of the House of Representatives with respect to various methods of funding the Hazardous Substances Superfund, including a study of the effect of taxes on the generation and disposal of hazardous wastes.

Mr. STAFFORD. Mr. President, the bill now before the Senate has been considered by three committees: The Committee on Environment and Public Works, which I am privileged to chair; the Committee on Finance; and, the Committee on Judiciary. I am pleased to say that S. 51 was discharged from one of those committees and reported favorably from each of the other two with only one dissenting vote.

This bill enjoys broad support among both Members of the Senate and outside groups with an interest in the Superfund Program. One reason this bill enjoys such support is because it is a moderate proposal which makes only modest changes in a vitally necessary law.

The reason we are proposing only modest changes is because Superfund is a fundamentally sound law which now is working well. What it needs most is more money and more time. Those are the two essential elements of S. 51.

PURPOSE AND SUMMARY

S. 51, as amended, amends the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to provide $7.5 billion in additional funding over a 5-year period.

The overriding purpose of S. 51 is to expand and accelerate the Federal Government's program to clean up and otherwise protect the public health and environment from releases of hazardous substances and wastes. To this end, S. 51 not only provides additional money and time, but makes changes in the law which improve the pace and direction of those cleanup efforts.

I hope additional improvements can be made on the floor through a series of amendments I intend to offer. Title I of the bill establishes cleanup standards to be applied so that human health and the environment is protected in every circumstance; a health program to assure that at each Superfund site a thorough review and assessment is made of the threats posed to human health; a chemicals testing program to develop adequate information on frequently encountered hazardous substances; and a grant program to assist States that wish to establish demonstration systems of assistance for victims of hazardous substances and wastes.

BACKGROUND AND NEED

The modern chemicals technology which has contributed so greatly to this Nation's standard of living has also left a legacy of hazardous substances and wastes which pose a serious threat to human health and the environment. By some estimates, there are over 20,000 abandoned hazardous waste sites in the United States. In large areas, drinking water supplies are contaminated by synthetic organic chemicals, including a large number of supplies which rely upon groundwater, a resource generally thought to be safe from contamination. Unfortunately, the Environmental Protection

Agency estimates that for ground water systems serving less than 10,000 persons, 1 of every 6 supplies is contaminated by volatile organic chemicals and nearly 1 of every 3 of the larger systems.

It was to deal with such problems that the Congress enacted the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, which quickly came to be known as the "Superfund." The law authorized a 5-year, $1.6-billion program to clean up releases of hazardous substances, pollutants and contaminants. It also created a new health agency, the Agency for Toxic Substances and Disease Registry, located within the Department of Health and Human Services. The bulk of the cleanup program, however, was delegated to the Environmental Protection Agency.

During the 5 years which have passed since enactment of the Superfund law, public concern has intensified. In some areas and States, public opinion polls show that the public is more concerned over the problem of hazardous substances and wastes than any other domestic issue.

The Environmental Protection Agency has now embarked on a program to clean up 115 Superfund sites per year and estimates that it will be called upon to react to up to 200 emergencies annually. The Assistant Administrator has testified that a 5-year extension of this program would require an additional $5.3 billion. But this estimate fails to take into account other important and substantial demands on the fund. It does not, for example, allow leeway for the payment of any claims for natural resource damages, one of the law's most important, but still unimplemented, components. The estimate also does not allow any room for increase in the cost of cleanup per site beyond the current estimate, even though the Agency's previous projections have climbed in the past 4 years from $2.5 million per site to $6.5 million in 1984 and, most recently, $8.3 million. Finally, the estimate assumes that between now and 1990, which is the expiration date of the 5-year extension, there will be no inflation. Based on this, it seems clear that even a simple extension of the current program will require substantially more than $5.2 billion. With the addition of new responsibilities in this bill (estimated by the Agency to cost $1 to $1.5 billion over 5 years), the committee concluded that an appropriate 5-year funding level was $7.5 billion, as contained in the reported bill.

STATEMENT OF PRINCIPLES

The Comprehensive Environmental Response, Compensation, and Liability Act of 1980 was designed to help address many of the problems faced by our country as a result of toxic chemical contamination. The statute does not and is not intended to replace other laws which provide the regulatory foundations to address a variety of these toxic chemical concerns or provide victims with the rights to recover for damages, or obtain other relief. The existing statute and this reauthorization are structured to complement these laws and add to the remedies available to injured parties and other citizens.

The Superfund is founded on certain fundamental objectives. These are:

First, it is to provide ample Federal, State and citizen authority for cleaning up and preventing releases of hazardous substances, pollutants and contaminants.

Second, it is to assure that those responsible for any damage, contamination, environmental harm or injury from hazardous substances bear the costs of their actions and do not transfer them to others, whether through contract, sale, transportation, disposal, or otherwise;

Third, it provides a fund to finance response actions where a responsible party does not clean up, cannot be found or cannot pay. This fund has been based primarily on contributions from those who have been generally associated with such problems in the past and who today profit from products and services associated with such substances; and

Fourth, to provide adequate compensation to those who have suffered economic, health, natural resource, and other damages.

If these objectives can be and are realized through administration of the law, both by the executive branch and the judicial branch, the major objective of the statute will be accomplished: To provide an incentive to those who manage hazardous substances or are responsible for contaminating sites to avoid releases and to make maximum effort to clean up or to mitigate the effects of any such release.

Both the President and the courts should constantily bear in mind that this is a law directed at all toxic threats, whether air, water, or waste, and without regard to the specific use if any, to which the chemical or organism was to be used; pesticides are covered as well as PCB's, mining wastes as well as spent solvents, and organisms as well as chemicals. Individuals and society are to be protected from all of these and made whole when protection has failed.

FUNDING LEVEL

A great deal of the debate over Superfund's eventual cost has centered on the number of sites that will, upon inspection, exceed the EPA threshold score and, as a result, be listed on the National Priorities List. As of April 10, 1985, a total of 540 sites had been listed and an additional 276 had been proposed for listing. The EPA estimates that a total of 1,800 sites will eventually be listed on the NPL, but concedes in its recent report to Congress (the "301" studies) that "if EPA were to undertake a targeted, systematic discovery and investigation effort * * * the size of the program could increase substantially." After identifying several categories of sites that have not been targeted (such as municipal landfills, mining waste sites, and leaking underground storage tanks), the report concludes that "if even a small fraction of these sites requires Superfund response, then funding needed to address them would overwhelm the central estimates currently projected for the Superfund program."

The administration requested, but the Committee on Environment and Public Works rejected, a request that the law be extended for 5 years at a cost of only $5.3 billion. Several related factors were cited by the administration in support of a relatively slower pace of spending. First, it asserted that if the program were expanded too quickly, money would be wasted because of inability to manage the quality of the work performed. Second, according to EPA Administrator Lee Thomas, "the inability of the analytical laboratory industry to further increase its capacity for organic sample analysis and high hazard sample analysis constitutes another major limitation on more expansion * * *." Third, according to EPA's "301" studies, "there is concern about the extent to which fully permitted treatment, storage and disposal facilities will be available to dispose of Superfund waste * * *." Fourth, the Administrator said it has encountered a shortage of experienced personnel with specialized skills. Finally, the Administrator asserted that the capacity of the States to provide funds for their share of Superfund activities would constrain.

The committee examined these assertions and concluded that while they did not justify restraining Superfund to a $5.3 billion level, they did warrant a more cautious increase. Thus, the Committee on Environment and Public Works reported S. 51, as did the Committee on Finance, with a 5-year level of $7.5 billion.

Mr. President, before commenting on some of the specific provisions of S. 51 as reported, I would like to make an observation regarding the law's liability standard.

Superfund imposes a standard of strict, joint, and several liability for those who manufacture, transport, dispose of, apply or in any other way engage in activity which results in the release of hazardous substances. Such individuals are engaged in abnormally dangerous activities and should be held to the standard of care which assures that they exercise the highest degree of care which is possible.

pursuant to AECA, section 36(a) (90 Stat. 740; 94 Stat. 3134) and section 26(b) (92 Stat. 740) (E.O. 11958); to the Committee on Foreign Affairs.

2004. A letter from the Administrator of the General Services Administration, transmitting a draft of proposed legislation to revise certain provisions of chapter 57, title 5, United States Code, relating to the subsistence allowances of Government civilian employees while performing official travel, and for other purposes; to the Committee on Government Operations.

2005. A letter from the Assistant Secretary, Department of the Interior, transmitting a draft of proposed legislation to authorize an increase in the appropriation ceiling for the North Loup Division, Pick Sloan Missouri Basin Program, NE; to the Committee on Interior and Insular Affairs.

2006. A letter from the Deputy Administrator, National Oceanic and Atmospheric Administration, Department of Commerce, transmitting notice of the proposed final rules under the Coastal Zone Management Act, pursuant to Public Law 96-464, section 12; to the Committee on Merchant Marine and Fisheries.

2007. A letter from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend section 3109 of title 5, United States Code, to clarify and improve the Government-wide authority for the appointment and compensation of experts and consultants as Federal employees, and for other purposes; to the Committee on Post Office and Civil Service.

2008. A letter from the Secretary of Transportation, transmitting a draft of three legislative proposals: To amend subtitle IV of title 49, United States Code, to reduce regulation of motor carriers of property, and for other purposes; to amend subtitle IV of title 49, United States Code, to reduce regulation of surface freight forwarders and brokers, and for other purposes; to amend subtitle IV of title 49, United States Code, to reduce regulation of interstate water carriers, and for other purposes; jointly, to the Committees on Public Works and Transportation and Energy and Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[Submitted September 16, 1985]

Mr. UDALL: Committee on Interior and Insular Affairs. H.R. 6. A bill to provide for the conservation and development of water and related resources and the improvement and rehabilitation of the Nation's water resources infrastructure; with amendments (Rept. 98-251, Pt. 2). Ordered to be printed.

[Submitted September 17, 1985]

Mr. WHITTEN: Committee on Appropriations. House Joint Resolution 388. Joint resolution making continuing appropriations for the fiscal year 1986, and for other purposes. (Report 99-272). Referred to the Committee of the Whole House on the State of the Union.

Mr. DE LA GARZA: Committee on Agriculture. House Concurrent Resolution 185. Concurrent resolution expressing the sense of the Congress in support of the efforts of the organizers of and participants in the Farm Aid Concert to be held in Champaign, IL, to bring the current crisis in American agriculture to the attention of the American people. (Rept. No. 99-273). Referred to the House Calendar.

SUBSEQUENT ACTION ON A REPORTED BILL

Under clause 5 of rule X the following action was taken by the Speaker:

Referral of H.R. 6 to the Committee on Merchant Marine and Fisheries extended for a period ending not later than Sept. 23, 1985.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BREAUX (for himself, and Mr. HUCKABY):

H.R. 3314. A bill to provide for a fair and equitable disposition to certain coastal States of certain Federal Outer Continental Shelf revenues; to the Committee on Interior and Insular Affairs.

By Mr. CLINGER:

H.R. 3315. A bill amending the Powerplant and Industrial Fuel Use Act of 1978 with respect to the conversion of Federal facilities to coal; to the Committee on Energy and Commerce.

By Mr. GUARINI (for himself, and Mr. WEISS):

H.R. 3316. A bill to amend title 23, United States Code, to make special provision for withdrawal of approval of the Westway highway project and for approval of substitute highway and transit projects; to the Committee on Public Works and Transportation.

By Mr. IRELAND:

H.R. 3317. A bill to amend the False Claims Act, and title 18 of the United States Code regarding penalties for false claims, and for other purposes; to the Committee on the Judiciary.

By Mr. KANJORSKI:

H.R. 3318. A bill to direct the Administrator of General Services to construct a Federal office building for the Social Security Administration and other Federal agencies in Wilkes-Barre, PA: to the Committee on Public Works and Transportation.

By Mr. KLECZKA (for himself, and Mr. ENGLISH):

H.R. 3319. A bill to amend the Freedom of Information Act, and for other purposes; to the Committee on Government Operations.

By Mr. ROBINSON:

H.R. 3320. A bill to provide for procedures for approval of congressional committee foreign travel, and for other purposes; to the Committee on House Administration.

By Mr. RODINO:

H.R. 3321. A bill to revise, codify, and enact without substantive change certain general and permanent laws, related to aliens and nationality, as title 8, United States Code, "Aliens and Nationality"; to the Committee on the Judiciary.

By Mr. HAMMERSCHMIDT:

H.J. Res. 389. Joint resolution to designate the week of October 7 through October 13, as "National Trout Week"; to the Committee on Post Office and Civil Service.

By Mr. ROTH:

H. Con. Res. 191. Concurrent resolution expressing the support of the Congress for a peaceful return of democratic rule in Chile; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. OXLEY:

H.R. 3322. A bill for the relief of the estate of Commodore Perry Miller; to the Committee on the Judiciary.

By Mr. RUSSO:

H.R. 3323. A bill for the relief of Alexander Lockwood; to the Committee on the Judiciary.

By Mr. WRIGHT:

H.R. 3324. A bill for the relief of Angel Maldonado-Valverde, Lusila Delgado de Maldonado, Francisco Maldonado-Delgado, Dora Luz Maldonado-Delgado, and Jose Luis Maldonado-Delgado; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 370: Mr. GONZALEZ.

H.R. 604: Mr. PACKARD.

H.R. 776: Mr. RODINO.

H.R. 822: Mr. OBEY, Mr. MCCURDY, Mr. GUNDERSON, Mr. CLINGER, and Mr. HAMMERSCHMIDT.

H.R. 1021: Mr. SUNIA.

H.R. 1059: Mr. ANDREWS.

H.R. 1207: Mr. LANTOS.

H.R. 1318: Mr. HAMMERSCHMIDT and Mr. HUNTER.

H.R. 1356: Mr. FAWELL, Mr. DAUB, Mr. MORRISON of Washington, Mr. TAUKE, Mrs. BURTON of California, Mr. HERTEL of Michigan, Mr. DEWINE, Mr. BADHAM, Mr. WEISS, Mr. TOWNS, Mr. BROWN of California, Mr. DYSON, Mr. CONYERS, Mr. KINDNESS, Mr. VALENTINE, Mr. OLIN, Mr. RODINO, Mr. CARR, Mr. WEBER, Mr. BONIOR of Michigan, Mr. MARKEY, Mr. ARMEY, and Mrs. BENTLEY.

H.R. 1538: Mr. MCEWEN.

H.R. 1619: Mr. DORGAN of North Dakota.

H.R. 1875: Mr. BEVILL, Mr. AKAKA, Mr. SILJANDER, Mr. DYMALLY, Mr. DIOGUARDI, Mr. BATEMAN, and Mr. HUBBARD.

H.R. 1991: Mr. COURTER and Mr. FAWELL.

H.R. 1992: Mrs. SCHNEIDER and Mr. FAWELL.

H.R. 2157: Mr. OXLEY, Mr. MITCHELL, and Mr. EVANS of Iowa.

H.R. 2451: Mr. SKEEN, Mr. HORTON, Mr. FISH, Mr. MOORE, Mr. TORRICELLI, Mr. CRAIG, and Mr. DOWDY of Mississippi.

H.R. 2583: Mr. LIGHTFOOT, Ms. KAPTUR, Mr. CHAPPIE, Mr. KOLTER, Mr. SHAW, Mr. RITTER, Mr. STENHOLM, and Mr. ANDERSON.

H.R. 2683: Mr. LAFALCE.

H.R. 2854: Ms. OAKAR, Mr. LELAND, Mr. BONER of Tennessee, and Mr. BRYANT.

H.R. 2861: Mr. YATES, Mr. LIPINSKI, Mr. MITCHELL, Mrs. COLLINS, Mr. STARK, Mr. MRAZEK, Mr. SEIBERLING, Mr. DELLUMS, Mrs. BOXER, Mr. WHITEHURST, Mr. FOGLIETTA, Mr. RANGEL, Mr. SCHUMER, Mr. TORRICELLI, Ms. MIKULSKI, Mrs. BURTON of California, Mr. MORRISON of Connecticut, and Mr. WEISS.

H.R. 2879: Mr. LEHMAN of California.

H.R. 3006: Mr. DAUB, Mr. ROSE, and Mr. YOUNG of Florida.

H.R. 3035: Mr. MARTINEZ, Mr. ACKERMAN, Mr. ANDREWS, and Mr. TRAFICANT.

H.R. 3040: Mr. BRYANT.

H.R. 3041: Mr. THOMAS of California, Mr. DIXON, Mrs. COLLINS, Mr. FUSTER, Mr. LEVINE of California, Ms. OAKAR, Mr. BEVILL, Mr. MATSUI, and Mr. LAGOMARSINO.

H.R. 3043: Mr. ROBERT F. SMITH, Mr. FISH, Mr. DASCHLE, Mrs. BENTLEY, Mr. ARCHER, Mr. GINGRICH, Mr. ARMEY, Mr. BORSKI, Mr. VALENTINE, and Mr. BARTON of Texas.

H.R. 3087: Mr. RAHALL, Mr. BATES, Mr. LEVINE of California, Mr. LELAND, Mr. GRAY of Illinois, Mr. LEHMAN of Florida, Mr. MARKEY, Mr. HAYES, Mr. MRAZEK, Mr. GREEN, Mr. WEBER, Mrs. BURTON of California, Mrs. COLLINS, Mr. FROST, Ms. OAKAR, Mr. FAUNTROY, Mr. BONER of Tennessee, and Mr. ANDREWS.

H.R. 3098: Mr. BIAGGI.

H.R. 3099: Mr. FROST, Mr. CROCKETT, Mr. HOYER, and Mr. BERMAN.

H.R. 3127: Ms. OAKAR and Mr. WEAVER.

H.R. 3132: Mr. RUSSO, Mr. HOWARD, Mrs. COLLINS, Mr. FAZIO, Mr. STRATTON, Ms. KAPTUR, and Mr. TORRICELLI.

H.R. 3190: Mr. ACKERMAN, Mr. FROST, Ms. KAPTUR, Mr. SMITH of Florida, Mr. CROCKETT, and Mr. BERMAN.

H.R. 3263: Mr. DE LUGO, Mr. RODINO, and Ms. OAKAR.

H.J. Res. 178: Mr. MCEWEN.

H.J. Res. 200: Mrs. BOXER, Mrs. KENNELLY, Mr. DREIER of California, Mr. MCCAIN, Mr. BOUCHER, Mr. LEVINE of California, Mr. VOLKMER, Mr. GREGG, Mr. ANDREWS, Mrs. MEYERS of Kansas, Mr. EMERSON, Mr. SPENCE, Mr. BROWN of California, Mr. BROOKS, Mr. FRANK, Mr. WALGREN, Mr. GEJDENSON, Mr. YOUNG of Missouri, Mr. CHANDLER, Mr. TAUZIN, Mr. STENHOLM, Mr. CAMPBELL, Mr. REID, Mr. FOLEY, Mr. SISISKY, Mr. PICKLE, Mr. STUMP, Mr. WHEAT, Mr. RUDD, Mr. SKELTON, and Mr. TORRES.

H.J. Res. 218: Mr. LOWRY of Washington, Mr. QUILLEN, Mr. STUDDS, Mr. HORTON, Mr. DIOGUARDI, Mr. ROBINSON, Mr. FAUNTROY, Mr. HANSEN, Mr. HARTNETT, Mr. NOWAK, Mr. SMITH of New Hampshire, Mr. LATTA, Mr. LEHMAN of Florida, Mr. JEFFORDS, Mr. TAUZIN, Mr. BEDELL, Mr. FUSTER, Mr. STAGGERS, Mr. CRAIG, Mr. LUNGREN, Mr. LIVINGSTON, Mr. JONES of North Carolina, Mr. KEMP, Mr. LIPINSKI, Mr. TAYLOR, Mr. TRAFICANT, Mr. DONNELLY, Mr. TRAXLER, Mr. MACK, Mr. HYDE, Mr. LEHMAN of California, Mrs. BENTLEY, Mr. SPRATT, Mr. CARPER, Mr. SUNDQUIST, and Mr. BARNES.

H.J. Res. 244: Mr. WORTLEY, Mr. GILMAN, Mrs. KENNELLY, Mr. HAMMERSCHMIDT, Mr. RODINO, Mr. ROBERTS, Mr. MITCHELL, Mr. RAHALL, Mrs. COLLINS, Mr. ROSE, Mr. FUSTER, Mr. HUGHES, Mr. FAZIO, Mr. FAUNTROY, Mr. OBERSTAR, Mr. WEBER, Mr. DWYER of New Jersey, Mr. CROCKETT, Mr. WEISS, Mr. WILLIAMS Mr. MARKEY, and Mr. OWENS.

H.J. Res. 266: Mr. MCKERNAN, Mr. HALL of Texas, Mr. CHANDLER, Mrs. BOXER, Mr. FOLEY, Mrs. BURTON of California, Mr. MILLER of Washington, Mr. KASTENMEIER, Mr. NELSON of Florida, Mr. BURTON of Indiana, Mrs. SMITH of Nebraska, and Mr. WIRTH.

H.J. Res. 288: Mr. LELAND, Mr. BOSCO, Mr. SMITH of New Jersey, Mr. MATSUI, Ms. OAKAR, Mr. HOYER, Mr. BONER of Tennessee, Mr. OBERSTAR, Mr. COBLE, Mr. FISH, Mr. WEBER, Mr. HOWARD, Mr. MAZZOLI, Mr. MCEWEN, Mr. HENDON, Mr. GORDON, Mr. FASCELL, Mr. STRANG, Mr. BLAZ, Mrs. BENTLEY, Mr. ORTIZ, Mr. STALLINGS, Mr. PERKINS, Mr. WHEAT, Mr. BENNETT, Mrs. LLOYD, Mr. SILJANDER, Mr. PORTER, Mr. LIVINGSTON, Mr. PURSELL, Mr. BREAUX, Mr. MINETA, Mr. YATRON, Mr. MURPHY, Mr. JEFFORDS, Mr. BEREUTER, Mr. YOUNG of Florida, Mr. CARNEY, Mr. ANTHONY, Mr. LIPINSKI, Mr. ROWLAND of Georgia, Mr. CLINGER, Mr. UDALL, Mr. ROBERT F. SMITH, Mr. SCHUMER, Mr. MARTIN of New York, Mr. ANDERSON, Mr. ARCHER, Mr. ROYBAL, Mr. SISISKY, Mr. SPRATT, Mr. SCHUETTE, Mr. ATKINS, Mr. HERTEL of Michigan, Mr. LOTT, Mr. BRYANT, and Mr. PICKLE.

H.J. Res. 296: Mr. KOLBE, Mr. COUGHLIN, Mr. LOTT, Mr. MOLLOHAN, and Mr. WOLPE.

H.J. Res. 313: Mr. WORTLEY, Mr. BARNARD, Mr. SLAUGHTER, Mr. CHANDLER, Mr. GALLO, Mr. SUNDQUIST, Mr. CAMPBELL, Mrs. HOLT, Mr. MICHEL, Mr. LUJAN, Mr. FIELDS, Mr. HALL of Texas, Mr. WATKINS, Mrs. LLOYD, Mr. WHITLEY, and Mr. DELAY.

H.J. Res. 347: Mr. PASHAYAN, Mr. PURSELL, Mr. LEWIS of Florida, Mr. KANJORSKI, Mr. HORTON, Mr. VOLKMER, Mr. DAUB, Mr. LAGOMARSINO, Mr. O'BRIEN, Mr. BLILEY, Mr. GRAY of Illinois, Mr. YATES, Mr. FUSTER, Mr. DORNAN of California, Mr. ROE, Mr. SOLOMON, Mr. DYSON, Mr. BONIOR of Michigan, Mr. FROST, Mr. HUGHES, Mr. FUQUA, Mr. SMITH of Florida, Mr. JEFFORDS, Mrs. BURTON of California, Mr. LIVINGSTON, and Mr. BEREUTER.

H.J. Res. 350: Mr. BEDELL, Mr. BRYANT, Mr. CHAPPELL, Mr. CLINGER, Mr. CONYERS, Mr. COOPER, Mr. CROCKETT, Mr. DE LA GARZA, Mr. DIXON, Mr. DORNAN of California, Mr. FAZIO, Mr. FUQUA, Mr. GARCIA, Mr. GORDON, Mr. GUARINI, Mr. HATCHER, Mr. HAYES, Mr. JONES of Tennessee, Mr. MARTINEZ, Mr. MAVROULES, Mr. MCKERNAN, Mr. MCMILLAN, Ms. MIKULSKI, Mr. MURPHY, Mr. NEAL, Mr. O'BRIEN, Mr. ORTIZ, Mr. PACKARD, Mr. RODINO, Mr. ROE, Mr. ROTH, Mr. STUMP, Mr. SUNIA, Mr. SYNAR, Mr. TOWNS, Mr. TRAXLER, Mr. VALENTINE, Mr. VENTO, Mr. WILSON, and Mr. YOUNG of Missouri.

H. Con. Res. 41: Mr. HUNTER, Mr. YATRON, Mr. COYNE, and Mr. EMERSON.

H. Res. 165: Mr. JONES of Oklahoma.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 2904: Mr. FRENZEL.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

204. By the SPEAKER: Petition of Dr. Aminul I. Chowdhury, a citizen of Bangladesh, relative to the matter of Export Link versus The World Bank; to the Committee on Banking, Finance and Urban Affairs.

205. Also, petition of Mayor, city of Fallon, NV, relative to safe drinking water; to the Committee on Energy and Commerce.

206. Also, petition of Peter J. Cojanis, Washington, DC, relative to divorce; to the Committee on the Judiciary.

207. Also, petition of Fraternal Order of Border Agents, Mission, TX, relative to Customs and Drug Enforcement Administration officers; jointly, to the Committees on the Judiciary and Ways and Means.

208. Also, petition of Massachusetts Highway Users Conference, Boston, MA, relative to extending the Superfund law; jointly, to the Committees on Energy and Commerce, Public Works and Transportation and Ways and Means.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 3128

By Mr. QUILLEN:

—On page 115 of H.R. 3128 as reported on September 11, 1985, delete lines 7 through 13.

By Mr. SMITH of New Jersey:

—Immediately after section 149, insert the following new section (and conform the table of contents):

SECTION 150. MEDICARE PAYMENT FOR THERAPEUTIC SHOES FOR INDIVIDUALS WITH SEVERE DIABETIC FOOT DISEASE.

(a) COVERAGE UNDER PART B.—Section 1861(s) of the Social Security Act (42 U.S.C. 139,x(s)) is amended—

(1) by redesignating paragraphs (11) through (14) as paragraphs (12) through (15), respectively,

(2) by striking out "and" at the end of paragraph (9),

(3) by striking out the period at the end of paragraph (10) and inserting in lieu thereof "; and", and

(4) by inserting after paragraph (10) the following new paragraph:

"(11) therapeutic shoes for individuals with severe diabetic foot disease, if—

"(A) the shoes are prescribed by a physician who certifies that the individual is under a comprehensive plan of care related to the individual's diabetic condition, and

"(B) the shoes are fitted and furnished by a certified pedorthist, a certified orthotist, or other qualified individual (as established by the Secretary), and

"(C) the shoes have been subjected to a review by a peer review organization to determine whether of not the qualifying criteria have been met.".

(b) LIMITATION ON BENEFIT.—Section 1833 of such Act (42 U.S.C. 1395) is amended by inserting after subsection (e) the following new subsection:

"(f) In the case of therapeutic shoes described in section 1861(s)(11)—

"(1) no payment may be made under this part for the furnishing of more than one pair of shoes for any individual for any calendar year, and

"(2) with respect to expenses incurred in any calendar year, no more than $375 shall be considered as incurred expenses for purposes of subsections (a) and (b).".

(c) MODIFICATION OF EXCLUSION.—Section 1862(a)(8) of such Act (42 U.S.C. 1395y(a)(8)) is amended by inserting ", other than therapeutic shoes furnished pursuant to section 1861(s)(11))" before the semicolon.

(d) CONFORMING AMENDMENTS.—Sections 1864(a), 1965(a), 1902(a)(9)(C), and 1915 (a)(l)(B)(ii)(I) of such Act (42 U.S.C. 1395aa(a), 1395bb(a), 1396a(a)(9)(C), 1396n(a)(1)(B)(ii)(I)) are each amended by striking out "paragraphs (11) and (12)" and inserting in lieu thereof "paragraphs (12) and (13)".

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to therapeutic shoes furnished on or after January 1, 1986.

By Mr. SWINDALL:

—Page 38, strike out lines 11-19 and insert the following new subsection:

(3) REPORT.—The Secretary of Health and Human Services shall report to Congress, no later than 16 months after the date of the enactment of this Act, on the effect of the

the Superfund Program more important. Fully 99 of the 850 sites on the National Priority List for Superfund cleanup are in New Jersey. The most dangerous site in the country, the Lipari landfill, is located in the suburbs of Camden. There is not one county in New Jersey free of abandoned toxic waste sites which threaten human health and the surrounding environment.

Not one site in New Jersey has been totally cleaned up. Cleanup work has begun on only 20 of the 99 sites on the Superfund list in New Jersey. New Jersey needs a bigger, faster paced Superfund Program. So do many other States around the country. By way of example, States like New York have a total of final and proposed sites of 59; California has 60; Ohio has 29; Pennsylvania has 59; Texas has 26; Minnesota has 39; and the total of just these few States is more than 280 sites that need prompt and immediate action.

In my State, and around the Nation, the Government is losing its credibility and the public is understandably frustrated and angry. There is just not enough money at current funding levels to make a dent in the problem.

In addition, in the 5 years we have had experience with the Superfund Program, as well as the Defense Department's toxic waste cleanup program, we have identified areas in which they must be strengthened and improved.

It is time to move faster, to rid our environment of the toxics that are poisoning our land and water, and threatening our citizens. That is why extension and improvement of the Superfund Program is so important to New Jersey and the Nation.

Mr. President, S. 51 provides funding over the next 5 years for the Superfund Program of $7.5 billion, more than four times as much as the current Superfund Program. Funding will be derived from two sources. An excise tax is levied on manufacturers that have sales receipts of more than $5 million per year in manufactured goods or raw materials. This broad-based tax would raise approximately $6 billion of the $7.5 billion of the expanded fund. I supported the efforts of Senators BENTSEN, MITCHELL, CHAFEE, BRADLEY, and others, on the Finance Committee, to develop a broader based tax to help pay for an expanded Superfund.

The remaining $1.5 billion would be raised through an extended tax on feedstocks and petroleum. Additional moneys would be added to the fund through cost recovery from parties responsible for cleanup, from interest collected on the fund, and from the postclosure liability fund.

Mr. President, S. 51 clearly addresses an issue that has hindered State efforts to set up their own superfunds. Because of a suit filed in New Jersey, which questioned the right of a State to tax the same sources taxed by the Federal Superfund, State Superfund programs have had a cloud over them. This has certainly been the case in New Jersey, where the State was extremely reluctant to spend funds out of our spillfund without this litigation being settled. S. 51 strikes the so-called preemption language in existing law which created this legal ambiguity. Approval of the bill will end years of litigation and free States to conduct aggressive cleanup programs with their own funds.

Mr. President, beyond increasing the size of the Superfund, S. 51 also makes important improvements to the current program.

S. 51 includes new health provisions that direct and authorize funds for the testing of toxic chemicals most commonly found at Superfund sites. It requires that health assessments be done at every site listed on the National Priority List, and that a more effective program be established for providing information to citizens who are worried about the health ramifications of exposure to nearby Superfund sites.

Mr. President, S. 51 also contains provisions to speed cleanup at Federal facilities. The extent of the contamination at hundreds of Federal facilities is just now coming to light.

The Federal facility amendments in S. 51 would require an expanded oversight role by the EPA. Inclusion of a Federal facility site on the national priority list would trigger schedules for cleanup at the site. These schedules would be implemented through interagency agreements, and accompanied by reports to Congress on the status and budgetary needs for completing cleanup and assuring long term operation and maintenance at sites at which interagency agreements are to be made.

Under S. 51, EPA would be required to concur in the selection of cleanup actions to be taken at Federal facilities. S. 51 also empowers EPA to issue corrective action orders at Federal facilities. Finally, this section of the bill reaffirms the original language of statute: That all provisions applicable to private parties are applicable to Federal facilities.

When the Senate begins its consideration of amendments, I intend to offer an amendment that will expand the Federal facility reporting requirements under this provision.

Mr. President, the bill also contains citizen suit provisions that provide citizens with the right to sue in Federal court to enforce nondiscretionary duties and to enforce standards, regulations, orders, and other requirements under the act. This provision is an important step in improving the tools that citizens have to ensure that the Superfund is implemented fairly and effectively.

Mr. President, I deeply appreciate the willingness of the members of the Environment and Public Works Committee to work in crafting an improved Superfund program, and one which is responsive to New Jersey's needs, as well as other States across the Nation. During the committee's markup of a Superfund extension bill in 1984, I offered a number of amendments, which were adopted at that time, and are carried over into this year's bill.

Key among those amendments are two designed to address ground-water contamination problems, prevalent in New Jersey and elsewhere around the country. Fully 60 percent of New Jersey's drinking water comes from ground water, and in the southern part of the State upward of 90 percent does. Contaminants leaching out of toxic waste sites threaten to contaminate our ground water, a precious resource in our drought plagued State.

My amendments requires EPA to clean up contaminated ground water and surface water as part of remedial action at Superfund sites, and mandate that EPA provide household replacement water, as well as drinking water, when contaminated water supplies or water supply systems are replaced by the agency.

S. 51 also contains several other amendments I sponsored in 1984 which refine Federal-State relationships under Superfund. The first of these provisions allows a State to spend its own money to conduct early cleanup at a Superfund site, with the assurance that it will be reimbursed by the fund for authorized expenditures. This amendment encourages States to use their own funds to move faster than the Federal program might permit, without being penalized for doing so.

The second of these provisions extends the statute of limitations for natural resources damage claims, which expired last December, before EPA issued regulations to inform State applications for reimbursement. The absence of these regulations made it impossible for States to submit acceptable applications for the money to which they are entitled under Superfund. However, this year, in recognition that public health risks must take priority in securing cleanup funds, S. 51 was amended to include a limitation on funds for natural resources damage claims.

Mr. President, I also want to express my appreciation to the chairman and other members of the committee for their cooperation in working with me this year on amendments to S. 51 to improve emergency planning and access by the public to information about chemicals in their communities.

These amendments stem from a hearing held by the Senate Environment and Public Works Committee in